

MANAGERS REPORT
August 9, 2010

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Bridge Creek Watershed / Proposed Wildfire Protection and Forest Health Restoration: At the last meeting, the Council was introduced to a report prepared by the Borough Spruce Bark Beetle Mitigation Program staff which discussed wildfire danger and threats to water quality in the Bridge Creek watershed. The agenda for this meeting contains a resolution which accepts this report and authorizes the City to participate in a project that reduces the fuel load and institutes reforestation. The authors of the report will be at both the Committee of the Whole and the regular meeting to present a concept plan about how fire danger would be reduced, the forest restored, and water quality protected. This is where the “rubber meets the road” and is what most residents, adjacent property owners, and other concerned citizens will be most interested in. It is important that the Council make a decision soon about participation because the stimulus money must be committed by September 1. However, there is still plenty of time to work out the details of what is actually done. The plan will evolve based upon Council input and that of the public. Also, according to the City code, this activity will likely require a conditional use permit, so there will be at least one hearing at the Planning Commission.
2. Spit Transfer of Responsibility Agreement (TORA): This agenda contains a resolution approving a TORA between the City and ADOT/PF. This is the agreement under which the City is granted authority to regulate and maintain parking, pedestrian crossings, seasonal speed limits, loading zones, etc. within the ROW along the entire length of the Spit Road. At the time this report was written, the City was still discussing a few issues with DOT/PF and some amendments may still be coming. So, it is possible that we may ask Council to postpone this resolution for one meeting. But, we thought we would put it out there in its present form so that the Council and the community could get a look at it. It is not likely to change much.
3. Main Street/Sterling Intersection: Based on the discussion Council had at the last meeting, I wrote a letter to DOT/PF this week stating that the Council still preferred a traffic signal at the intersection of Main St. and the Sterling Highway. I provided a copy of the original resolution expressing that preference and stated that the City requests that DOT/PF begin this project as soon as possible; particularly since we know that DOT/PF now believes it can do it within the amount of money we have available.
4. Sales Tax: I have been receiving a fair amount of calls by people concerned that itinerant merchants and merchants at flea markets and other events are not collecting sales tax. We have had several discussions with the Borough Finance

Department over the years about how to better monitor and enforce sales tax laws and we will do so again. The Borough Finance Department has suggested that it would be easier for it to keep track of businesses and enforce the code if the City had business license program. This idea has been discussed in the past but has received little traction.

5. **Courtesy Vans:** At the last meeting, the Council heard testimony from representatives of two taxi companies who were upset that a local businessman was providing free courtesy van service from the cruise ships to his business. They felt that this was unfair competition. I responded that the City was aware of the complaint and was looking into it. The Police Chief and the City Attorney have determined that these “courtesy” vans cannot be regulated under current state or city code. The City code is tied specifically to persons who provide the service for “hire.” Since the operator is not receiving money for the service, he is exempt. Tom Klinkner has looked into this further and reports that other cities have addressed this issue and some regulate these types of services. Kodiak, for example, has a number of courtesy vans that take people for free from the airport to local hotels or other businesses. These vehicles are all attached to specific businesses and are part of their overall business operations. Kodiak regulates them like they would a taxi or other vehicle for hire. So for example, persons or businesses operating these types of vehicles might be required to obtain a chauffeur’s license, proper insurance and pass physicals and background checks, like taxi drivers. It would be relatively easy to amend the City code to regulate this activity if the Council wishes.
6. **Animal Shelter Fenced Area:** At the last meeting we told the Council about a proposal to build a fenced in area adjacent to the shelter that could be used as an off-leash play and socialization area for animals, primarily dogs, that are housed at the Shelter. Council asked us to look at whether it was feasible to put the fenced area near the RV dump station. Carey looked at that site and determined that it was too wet and would require substantial amounts of fill material. That would cost more, would require a Corps of Engineers Permit, and special permission from all of the agencies that were signers on the conservation easement (that land was purchased with Exxon Valdez funds). In addition, the Homer Animal Friends and Shelter staff and volunteers felt that the facility would not be used as much if it were not adjacent to the Shelter. So, we decided to move ahead with the original plan. \$5,600 of the money needed for this project will come from the Homer Animal Friends and the remaining \$3,000 will come from the existing HPD operating budget. The fence will be chain link with the exception of the section facing the Sterling Highway. That will be cedar. The Parks department staff will also plant shrubs and bushes along the fence for further screening. Contrary to rumors that I understand are floating around town, this will not be a dog park. It is exclusively for the use of Shelter staff and volunteers for animals that are housed at the shelter and people interested in adopting them. The general public and their dogs will not be allowed.
7. **July 30 Treasurers Report:** Finance Director Regina Harville recently placed a copy of the July 30, 2010 treasurer’s report in your mailboxes. A copy of the report is attached here. I included it to give the Council an opportunity to discuss

it at the meeting if it wishes. Regina will be there to answer questions. This report is important because it shows us where we are at mid-year. You will recall that when the budget was adopted, the Council stated that it would like to look at perhaps adding some things or increasing funding for some items at mid-year if finances allowed. You will see that the departments are doing a good job at keeping expenditures in line with the budget. Revenues are a little down right now but that is expected since most of the sales tax and almost all of the property tax comes in later in the year. The next quarter, ending September 30, will really tell the story on the sales tax. In short, I don't see any indication at this time that Council can safely add anything major back into the budget.

8. Anchor Point / Homer Gas Line: At the last meeting, the Council approved Memorandum 10-93 which set out a recommended course of action on the Anchor Point to Homer gas line project. Council heard testimony from Enstar that it is ready to build the regulation station and stage one of the gas line to the Anchor River this fall, hopefully starting on September 1. Doing this has advantages because it will set us up to seek the money for Phase II ; the rest of the line into Homer and on to Kachemak City. To do the work on this timeframe will require a leap of faith by the Council. Enstar and the City are currently working on an agreement/contract which should not take too long to complete. After that, Enstar will need a formal Notice to Proceed. They will upfront the money, build the project, and bill the City after the project is complete. One possible hurdle is that we don't have the grant agreement yet. Council normally passes an ordinance accepting and appropriating grants. To stay on this schedule, I would have to issue a notice to proceed before the Council formally accepts the money. If I do that, and the Council changes its mind and does not accept the grant, the City would be on the hook for the money Enstar expended to build the project. I think Council might want to discuss this a little before I proceed too much further to make sure we are all on the same page.

ATTACHMENTS

1. Letter from the Pratt Museum
2. July 30, 2010 Treasurer's Report