

**MANAGERS REPORT**  
**January 10, 2011**

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

**FROM:** WALT WREDE

UPDATES / FOLLOW-UP

1. Proposed Ocean Drive Improvements: The Economic Development Commission has requested that I contact DOT/PF about safety improvements on Ocean Drive. Concern was expressed about summer time traffic and the number of pedestrians, especially when the Farmers Market is open. The problem is anticipated to become worse this year because all of the cruise ships are scheduled to be in port on Saturdays. The Commission suggested creating a turning lane on Ocean Drive and temporarily moving the bike lane to either Bay Avenue or to Lakeshore Drive. At the last meeting, I informed the EDC that I thought it would be best to first bring this recommendation/request to the attention of the Council and that the Council could either authorize me to contact DOT/PF on behalf of the City or refer this issue to other entities that might have an interest such as the Planning Commission or the Transportation Committee.
2. Lobbyist: The RFP for lobbyist services is on the street. The deadline for proposals is January 13<sup>th</sup>. If all goes well, we plan to have approval of a lobbyist contract on the agenda for the meeting on January 24. In the meantime, there are two issues that need to be discussed. The first is that I would like to quickly put together a small review team to review and score the proposals. Are any Council members willing to serve on that committee? Most of the work would take place the week of January 17<sup>th</sup>. The second issue is the scope of work. This was not discussed in great detail during the budget amendment process. There was a lot of talk about amending the fisheries business tax statute, but not much else. So, before we interview candidates and draft a contract, it would be good to more clearly define the scope of work.
3. New Lease Agreement: Tom Klinkner is working on amending the City's standard ground lease. He is doing this for several reasons. First, he thinks the document can be updated and edited to make it shorter and more current (reflecting recent changes in the lease policies, insurance requirements, etc), while still maintaining the necessary protections for the City. He is also attempting to incorporate some of the EDC recommendations where appropriate and beneficial. The Council recently approved new leases for Snug Harbor and Brad Faulkner. We plan to use the new lease in those negotiations. Please let me know if and how the Council wants to be involved with the amendment of the standard lease.
4. Gas Distribution Task Force: The Task Force is up and running. The second meeting will be on Monday, January 10, at 12 Noon. The focus so far has been on the grant requirement that Homer come up with a plan that provides for distribution of gas infrastructure within the city limits. So far, this has included an internal review of the City utility ordinances to see if they need to be amended

and an initial analysis of funding options and build-out scenarios. Enstar representatives will be at the meeting to discuss build-out plans and Enstar's tariff with respect to main line extensions.

5. The New Budget: The Finance Department is working hard to prepare the new final budget for public dissemination. The budget will incorporate all of the amendments approved by the City Council. The department is also changing the format somewhat and adding new sections to make the document more informative and easier to read and locate information. For example, the Water and Sewer Fund will have a new presentation since it is no longer an enterprise fund. There are also new stand alone sections for the Permanent Fund and for Staffing information. Capital projects are arranged in a different way to make them easier to find. Regina can explain all of the changes to you at the meeting if requested.
6. TORA Agreements: Good News. We have made some progress and we are now beginning the process of negotiating Transfer of Responsibility Agreements (TORA) with DOT/PF for the Spit Trail extension and the Deep Water Dock Expansion feasibility study. This is the first step in getting these projects moving and we hope to have draft agreements ready this month. The TORA that is pending is the one on Spit Parking. This one is almost ready for final approval but has been suspended in part for budgetary reasons. I would like to discuss whether the Council still wants to move forward with this given budget cuts and concerns about taking on new responsibilities.
7. Conditional Use Permit / Bridge Creek Fire Mitigation Project: A Conditional Use Permit application has been submitted and the Planning Commission is scheduled to take this matter up at its regular meeting on January 19<sup>th</sup>. A copy of the application narrative is attached for your information (not the full application). This project may generate public discussion and debate. Please let me know if you have any questions or wish to discuss this in more detail.
8. Enstar / Gasline Grant Follow-Up: The grant agreement has been amended to incorporate the sub-grant agreement between the City and Enstar. This clarifies and directly addresses the Council's concerns about issues like ownership, operation, maintenance, and liability. Also, questions about the applicability of Davis Bacon provisions have been answered by the Department of Labor. This resolves all remaining issues. Contracts have been executed, Enstar has submitted its first invoice, and the paperwork is being prepared for reimbursement by the state.
9. Joint Workshop Request / Planning Commission: The Planning Commission has requested a joint workshop later this winter to discuss code enforcement, especially on the Homer Spit. The Planning staff is being hammered on all sides about enforcement. Many in the community, including I believe, the Commission itself, are concerned that the City is not doing enough, or being assertive enough, about code enforcement, particularly on the Spit. On the other hand, a sizable portion of the community believes that the City is being too aggressive and that code enforcement and maybe even portions of the code itself should be rolled back. Enforcement on the Spit has proven to be very difficult for a wide variety of reasons and would be very expensive to ramp up. There is a lot more background

that could be provided but this is the gist of it. The Commission and the staff would like some input and guidance from the Council on this matter.

10. Spit Dredged Materials Disposal: I recently reported that the City was working with the Corps of Engineers to find a long term solution to the disposal of dredged materials. The Corps has inquired why the City had prohibited these materials from leaving the Spit. Bryan has been doing research on the history of this and has shared it with the Port and Harbor Commission. It is my understanding that the Commission recently recommended that these materials be allowed to leave the spit if it was necessary. So, you may see an ordinance to accomplish that coming to you soon. I suspect there will be a lot more discussion about this at that time.
11. Energy Efficiency / Capital Improvements: This agenda contains an ordinance that would appropriate funds for capital improvements that increase energy efficiency in City buildings and facilities. A cost center spreadsheet is attached. As you can see, the cost to complete recommended projects that have a good payback period exceeds the amount of money contained in the grant and the Revolving Energy Fund. The ordinance and spreadsheet make suggestions about how these projects might all be funded and how the costs would be allocated. This should be a good starting point for discussion. The Council may or may not want to do all of these projects at once and it may have different ideas about how they should be funded. Using enterprise fund depreciation reserves might generate debate, especially since we have not been putting money into those accounts. There are other questions about repayment of the REF as well if enterprise funds are used (maybe the enterprise funds should be reimbursed instead). We look forward to this discussion.

## ATTACHMENTS

1. January Employee Anniversaries
2. Project Narrative / Bridge Creek Fire Mitigation Project