

**MANAGERS REPORT**  
**May 24, 2011**

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

**FROM:** WALT WREDE

UPDATES / FOLLOW-UP

1. Attorney Contract: Jo recently reminded me that the one year attorney services contract with Birch, Horton, Bittner et al expires at the end of July. So, it would be timely for Council to have a discussion about how it would like to proceed. It seems like the choices are to a) enter into another contract with Birch Horton b) put out an RFP for attorney services, or c) renew discussion about an in-house attorney. Options b and c require some lead time so if Council wishes to go in either of those directions, we should have the discussion sooner rather than later. I believe that this discussion could take place in executive session if Council wishes because the legal status and strategy of certain cases and performance issues could be discussed.
2. Health Insurance: We are currently looking into hiring a broker to assist us with managing the City's Health Insurance Program. Most cities have brokers and it appears that hiring one would not cost any additional money since the broker would be paid by the plan administrator (Meritain Health). The broker would do some of the tasks Meritain is doing now for us. A broker would have a number of advantages including helping to shop for competitive rates and acting as a consultant on all things related to health insurance. This is very important in this time of rapidly changing rules and regulations. If the City moves ahead on this, we would issue an RFP for broker services. A sample RFP is attached so that you can see the scope of what a broker might be asked to do. We are currently evaluating a number of cost saving measures for the health care plan and will be talking with the employees about the options soon. Council will be pleased to know that at this point we project that we will likely be in a position to reduce the contribution to the health insurance fund, or at least keep it static, again this year. This is great considering that most other municipalities are experiencing huge cost increases. The primary reasons for this are the fact that Homer has a well managed self insured plan, the staff has been relatively healthy overall, and the reserve account is very healthy.
3. Lynn Whitmore Presentation: Lynn Whitmore is associated with the Kenai Moose Habitat group which owns land and advocates for conservation of moose habitat in the area bounded by Kachemak Drive and the airport complex. The Borough owns a large tract of land near the end of the airstrip on the north side which is classified as undesignated. This land has wetland and moose habitat values and it serves as a discharge area for the Bear Creek drainage. Lynn has been talking to the Borough about changing the land designation for this parcel to "habitat." A longer term goal might be critical habitat; a state designation. This proposal would assist greatly with conservation of important habitat within the

City limits. It would also make more land around the airport off-limits to development. Lynn is scheduled to make a brief presentation on his idea at the Committee of the Whole. He would like to see if he can obtain City support before he goes any further. If the Council wants to take a position on this, a member could sponsor a resolution for the next meeting.

4. City Hall Construction: The City Hall Renovation and Expansion Task Force is moving ahead right on schedule. You may have noticed that some work has already begun (storage connex buildings removed and power lines placed underground.) Construction is scheduled to begin in mid-June. We will be ready to provide a full report on progress with this project if asked. It can also be discussed when the project funding ordinance is on the table (using depreciation money on the existing building). We are currently having an internal discussion about how we can most efficiently continue operations while construction is going on. The pros and cons of moving some of the staff (administration and planning) over to the old intermediate school for six months are being evaluated.
5. State Capital Projects /: The Capital Budget approved by the Legislature contains approximately \$32,000,000 for the Homer area. Of that amount, \$16,032,000 is designated for City of Homer projects. This includes \$10,032,000 for the gas pipeline and \$6,000,000 in cruise ship tax money for improvements at the dock, around the harbor, and on Pioneer Avenue. The ball now rests in the Governor's court. No one knows what he will veto but it is pretty certain that he will eliminate some projects. Right now we are planning to get as much information as we can to the Governor to demonstrate the value of the City's projects. The City pipeline website has been updated. This week I will be drafting a letter to the Governor for the Mayor's signature touting the benefits of the project and inviting him to Homer to see the City's projects for himself.
6. Lease Committee / Old Intermediate School: The joint Lease Committee and Economic Development Committee met in executive session on May 17 to evaluate proposals received to lease the old intermediate school. No decisions were made and at present, there is no recommendation. Important information was missing from the proposals and the City Manager was asked to meet with the parties involved and report back if additional relevant information can be obtained.
7. Soccer Fields: Soccer is a rapidly growing sport in Homer and the demand for additional soccer fields is great. The Parks and Recreation Commission has been talking about this alot. I was recently contacted by the Homer Soccer Association about this. This week, Mike Illg and I met with the School District to discuss and coordinate Community Recreation programs this summer and fall. One topic that came up was soccer fields. The School District would like to build at least one soccer field, preferably with artificial turf. There are several potential alternatives but the District definitely has the land available to do this. We talked about several scenarios under which the City and the District could "partner" to achieve a community wide goal. You will likely be hearing more about this in the future and I will be happy to discuss it in more detail tonight if the Council wishes.
8. Lobbyist Visit: The City lobbyist would like to make another trip to Homer to speak with the Council and strategize about tasks and agenda items for the

interim. One thing they will definitely be working on during the interim is the fish tax issue. We originally talked about bringing them down in May or June. We are now thinking that the fall might be a better time since we will be working on the CIP and getting ready for the session. Also, everyone is more likely to be around during that period. Comments from Council would be great.

### **ATTACHMENTS**

1. Sample RFP for health insurance broker
2. Sandwich board notice to property owners
3. City Hall project Talking Points / Project Schedule