

MANAGERS REPORT
August 8, 2011

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Employee Committee: At the last meeting, I answered several questions about the Employee Committee regarding who authorized its formation and what the purpose of the committee was. I said one thing that was incorrect and several others that I would like to clarify. First, I said that the Employee Committee was authorized by the adopted Personnel Policies. That is wrong. The Personnel Policies do not even mention an Employee Committee. The old Employee Committee was in fact very active in helping to draft the Personnel Policies and there are extensive records of that activity. However, the Committee itself was not written into the Policies. So, I apologize for the misinformation. In the end though, that does not matter. This is a committee that was formed at the request of the City Manager and the department heads. This is routine. We form committees administratively and internally all the time to discuss issues and solicit recommendations. No Council action is needed to do this and since it is not a committee formed by the Council, it is not a public meeting. Advertising and formal meeting rules do not apply. We are entering the budget cycle and I routinely ask the departments and employees for advice and recommendations on how the City can save money. As has been noted, Employee costs are a very significant part of the budget. Council has suggested that they would like to see a reduction in employee costs, especially with respect to health care. Council members and the Mayor have also stated clearly that they would like to hear from the employees, that they think a committee is a good idea, and that they want the employees to have input into potential reductions in employee benefits. So, forming this committee is a natural outcome and is clearly within the purview and authority of the administration. Be assured this is not union organizing, or anything like that. The Committee will simply make recommendations to me and the Council.
2. Health Insurance: The second meeting of the Borough Task Force on Health Care Costs took place on August 15. The primary agenda item was getting into more of the details of various health insurance plans, beyond just the cost per employee. Andrea attended the meeting on behalf of the City. She reports that the group did not spend too much time talking about the details of various plans. But it did spend a significant amount of time talking about the possibility of hiring a consultant to help identify all of the feasible ways the entities could collaborate. The group also talked about ways to reduce costs by working out a deal with the Borough owned hospitals to provide care for public employees at reduced costs. (Note: the City has already negotiated a deal with South Peninsula Hospital whereby City employees get a 10% discount).
3. The Fishing Hole: A consensus seems to be building that one of the primary problems with fish survival at the Nick Dudiak Fishing Hole is its reduced depth. In short, the lagoon is filling in and needs to be dredged. This has been on the City CIP/ wish list

for several years now. The problem is money, as usual. It could be as much as several hundred thousand dollars. I spoke with Monte Davis at the Chamber about this the other day. He is very concerned about this and noted that the fishing hole will become even more important to local businesses and the economy when we go to one halibut limits on charter boats. Monte resurrected an idea that has been discussed before and it seems like now might be the time to bring it back to the table. He suggested that we borrow money or sell bonds to do the dredging and other maintenance work. The bonds would be repaid through fishing licenses. The details matter of course but he indicated that the Chamber might be willing to play some sort of role in the administration of the program. There are lots of possibilities. This idea is attractive on its face for several reasons. First, it would provide for a reliable source of income to make the routine repairs and upgrades that pop up every year. Second, it would mean that we are not relying on the Port and Harbor reserves to do maintenance and repair work there. The Fishing Hole is not a part of Port and Harbor Operations and in my view, using enterprise funds to support it is questionable. The General Fund would be more appropriate however, we know that we don't have any extra money lying around there. That leaves us relying on grants and legislative appropriations.

4. Budget Priorities: The Committee of the Whole agenda contains a discussion about Council budget priorities for the 2012 budget. This is a result of the discussion we had at the last meeting. You will notice that I put a copy of the budget priorities for FY 2010 in the packet instead of drafting up new priorities for 2012. I did this for several reasons. First, I wanted to remind you about the process we went through in 2010. Those were the guidelines I used in putting together the FY 2010 Budget. Council input was a big part of it. Second, I did not want to influence you in any way by putting some draft priorities out there. I am interested in the Council's priorities and hopefully the 2010 priorities will be a good base to launch us into that discussion.
5. Library Anniversary: September 16 is the five year anniversary of the completion of the new library building. Is that possible?? Anyway, the friends of the Homer Public Library are planning a celebration and you will be hearing more about that in the new few weeks.
6. Gas Pipeline: This agenda contains a resolution approving an action plan for the Homer Area Natural Gas Pipeline Project. There are some things in the draft plan that I am sure will generate some discussion. I tried to outline and include all of the things I think we should be doing if we are serious about staying the course and moving this project forward. I know that you probably have pipeline fatigue and are enjoying the break from having to discuss this project. I apologize if I am pushing too much. However, I really think that it is important for the Council to decide if it still supports this project and to what degree. If Council does not support the project anymore, it would be good to know that. We can move on to other priority projects and not waste limited time and resources. However, if Council wants to continue making this project a top priority, I think timing is critical and we need to move ahead aggressively and in a focused way.

ATTACHMENTS

None.