



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

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MANAGER'S REPORT

July 22, 2013

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Port and Harbor Bond Sale. We are currently reviewing a detailed a legal guidance paper provided by Tom Klinkner which addresses how bond proceeds may be invested and how they may be appropriated. The reserve funds held by New York Mellon Bank will definitely be invested. The bond proceeds will all likely be spent within 18 months so that limits investing opportunities somewhat.
2. Health Insurance Plan: At the last meeting, the Council heard a presentation by the City health insurance broker. In his report, Jeff detailed the current status of the plan, provided his perspective on future trends in the industry, and offered suggestions on how the plan could be amended to reduce expenditures. Part of his recommendation included a two tiered plan which Andrea and I have discussed with him at length. My plan on addressing the health insurance issue is as follows. First, we have asked Jeff to run a number of scenarios based upon baseline levels of City contributions. That will allow us to see how the benefit package will be impacted and what the implications are for the City budget under each scenario. We should have the results of that work soon. Second, we plan to reconvene the Employee Committee to discuss proposed plan modifications and to visit each department to speak directly with the employees. The goal is to get employee input and to make sure every employee understands how important this issue is from a budget perspective. The goal is to have plan modifications in place by mid September so that the Council will have budget numbers in front of them when it received the draft FY 2014 Budget and can review the City contribution to health care as part of the normal budget approval process. Finally, I intend to bring a mid-year budget amendment ordinance to the Council at the first meeting in August. Among other things, this ordinance will contain funds to make up the deficit that occurred in Fiscal year 2012 and the projected deficit in 2013. The depleted Reserve Fund will be addressed in the 2014 budget proposal.
3. Dispatch: The Police Department continues to have serious problems recruiting and retaining dispatchers. This follows a nationwide trend however, it causes concern on many levels. We continue to review the options available to us and we may want to address this issue again with the Council in the near future.
4. HERC Building: The Boys and Girls Club has ceased operations for now and my understanding is that they are in negotiations with the School District to see about locating the program in one of the school buildings; likely the middle school. As you know, some Community Recreation programs are held in the HERC gym because of limited space and time at the High School. It is time to produce the Community Rec.

class schedule for fall and winter. Users of these programs have approached me wanting to know if the building will be available for Community Schools programs this fall and winter. My response has been that we still have the Fire Marshall questions to contend with and that it will be difficult, absent new revenues, to justify keeping the building open and heated for just a couple of programs. More on that later. Council should anticipate getting inquires about this. These programs are really popular and provide significant benefits to the community.

5. Legal Issues: In the last two weeks the City received excellent news on two pending court cases. First, the Court ruled in favor of the City in the F/V Albert case. The Albert was a derelict vessel that was “warehoused” in the harbor for many years. The owner was basically uncooperative and ran up a large tally of delinquent bills. Extensive efforts to negotiate and settle the case were ultimately unsuccessful. Court was the last and best option. The City prevailed and was awarded attorney’s fees and costs that could exceed \$30,000. This week the judge ruled in favor of the City in the Tony Neal case. Council has been briefed on this case before so I won’t go into the details. The bottom line is that the Court found that the City is not obligated to plow snow on Beluga Lake for ice skating. Last week the City filed a complaint in court against Grant Aviation. Grant broke its lease without prior notice. It owed the City a significant amount of back rent when it left and over a year remained on the term of the lease. Damages continue to accumulate. Efforts to contact Grant and to resolve this matter have been unsuccessful. The company has been unresponsive which has been disappointing. Finally the City continues to try and negotiate settlement agreements with Matt Shadle and Mike Kennedy regarding zoning complaints that are pending in court. The court dates on both have been extended several times while negotiations are taking place. Oral arguments regarding the City’s request for summary judgment on the complaint filed by Ken Castner over the gas SAD took place several weeks ago. The judge requested additional information which has been provided by the parties.
6. Drill Rigs: The City has been approached by Buccaneer and by Furie, owner of a different drilling rig operating in the Inlet, about using the Deep Water Dock in future years if necessary. We understand that Buccaneer intends to be drilling all winter this year but wants to know if the dock is available if repairs or maintenance are necessary. It is not clear at this time exactly what Furie’s plans may be. I bring this to your attention so that if Council has any concerns about rigs mooring at the dock, it can let us know. We know that this is an issue of great interest in the community. The administration has taken the position that as long as there are no environmental, health, safety or other concerns that would justify denying access, the City is open for commerce. That is our position unless we hear different from Council. Several weeks ago we received a copy of the report prepared by URS Alaska LLC entitled Endeavor-Spirit of Independence - Final Benthic Survey Report for Buccaneer Alaska Operations, LLC. The report was requested by both Fish and Game and the City to look at the impacts to the sea bottom, to other mooring vessels, and to habitat as a result of the rig “soft pinning” its legs at the dock. Both pre-departure and post-departure surveys were conducted. The report concluded that the disturbance to the seafloor should have no effect on other vessels attempting to moor, that the remaining depressions would filling in quickly, and “no long term effects to the benthic habitat or fauna would be expected from this transitory disturbance.”
7. Adopt-A-Park: The Parks and Recreation Advisory Commission has designated August 17 as Parks Day. One of the things they want to do is highlight the Adopt-A-Park Program which was established by the Council several years ago. In particular, they want to thank the Kachemak Bay Rotary Club for all of the work it has done, and intends to do at Ben Walters Park. This work includes, but is not limited to, scraping and painting the bathrooms, purchase and installation of a bench near the floating docks, regular litter pick-up, donations of flowers, potting soil, flower barrels, repairing and replace the posts

along the driveway, and drainage work and rehabbing the trail to the docks. The Rotary Club deserves recognition and thanks for adopting this park and putting so many of its time and resources into making improvements there.

8. Economic Studies Underway: Northern Economics is hard at work looking at the economic impacts associated with the Drilling Rig being moored at the Deep Water Dock this past winter. They are also conducting the port and harbor rate study. We have been providing input and information to them and getting regular progress reports. Please let us know if you would like a verbal update.
9. Gas Lines: So far, things appear to be going pretty well with the gas lines. According to Enstar, they are still on schedule to have the Hospital and the High connected to gas by the end of July. I believe the contractors are doing a terrific job and so far, we have not experienced the disruption and traffic and property impacts that were anticipated.
10. Governor's Picnic: Plans and preparations for the Governor's Picnic are moving along rapidly. Fund raising for the picnic has been very successful and the overall plan sounds very good. Katie can give you a full update at the meeting if you wish. Updates can also be provided on the other associated events that day like the ribbon cutting ceremony at the hospital and the project tours and meetings with Commissioners.
11. Airport Terminal Revenues: We are experiencing a significant decline in revenues at the airport terminal which makes that facility less self supporting than we would like it to be. During the past year, the number of rental car concessions has been reduced from 3 to 1. As you know, Grant Aviation has departed and Fed Ex recently confirmed that it intends to move to a larger space at a nearby hanger when its lease expires next month. We will be working to attract new businesses where possible.
12. Strategic Plan: It looks like Saturday, August 17 has been selected as the day for strategic planning. I believe the Mayor intends for this workshop to be narrowly focused upon the CIP List. Julie from planning has agreed to facilitate the meeting so that I am free to participate directly. I expect that we will meet with the Mayor soon to discuss an agenda and develop a plan for using the time productively.
13. CIP Schedule: The Council recently approved a schedule for adopting the next CIP List. The schedule contains a work session on August 12 to review proposed projects. Subsequent to that, the Council scheduled an all day planning session on the CIP List for August 17. This might seem to make the August 12 workshop either premature or unnecessary. We gave some thought to recommending cancelling it. However, we now think it should remain. That time could be used to familiarize Council with the projects that have been completed, the ones underway, and the new ones proposed. It would be good background information to have going into the planning session on the 17th, which will be more likely focused upon the process of developing a CIP list. Lets us know if you disagree.

ATTACHMENTS

1. July Employee Anniversaries
2. Letter to DOT/PF re: Tree Cutting and end of runway
3. Capital Project Status Report



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Memorandum

TO: MAYOR WYTHE AND CITY COUNCIL
FROM: Walt Wrede
DATE: July 17, 2013
SUBJECT: July Employee Anniversaries

I would like to take the time to thank the following employees for the dedication, commitment and service they have provided the City and taxpayers of Homer over the years.

Joanne Perret,	Finance	24	Years
John Wythe,	Public Works	22	Years
Lori Sorrows,	Finance	14	Years
Brian McCarthy,	Port & Harbor	14	Years
Dan Olsen,	Public Works	12	Years
Julie Engebretsen,	Planning	11	Years
Ed Stading,	Police	8	Years
Julie Swisher,	Finance	5	Years
Dave Welty,	Public Works	5	Years
Rick Abboud,	Planning	5	Years
Jacob Tesch,	Public Works	2	Years
David Bernard,	Library	2	Years
Jayne Probst,	Police	1	Year



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July 8, 2013

Mr. Kevin Jones
Airport Manager
2336 Kachemak Drive
Homer, AK. 99603

SUBJECT: Authorization to Remove Trees on City Land Adjacent to Airport

Dear Mr. Jones:

I am writing in response to DOT/PF's request for permission to remove trees on City owned land adjacent to the airport. The City has completed its review of your request and concluded that this work, as proposed, is in the best interest of the community and the airport. Therefore, please consider this correspondence to be a permit and authorization to remove trees from City property that interfere with, or will within the next ten years interfere with, the western approach glide slope of the Homer Airport runway. The authorized cutting area is depicted on the attached map.

The City understands that without this work, the FAA has mandated that no aircraft will be allowed to use this approach after dark. Removal of these trees is a life and safety issue that potentially affects the entire community. The City understands further, that the trees will be removed under the supervision of Forest Service crews as part of a training exercise and that the cutting of trees will be conducted by hand. Underbrush will be left undisturbed, stumps will remain in place, and as little disturbance of the surface vegetative mat as possible will occur. To minimize disturbance and the potential for erosion, fallen trees will not be removed.

Permission to proceed is granted with the following conditions and stipulations:

1. The work will take place using the procedures described above.
2. Trees that fall across the existing trail located at the bottom of the slope shall be cut so that they are at least 10 feet from the trail.
3. DOT/PF is responsible for any state or federal regulatory or environmental permits that might be applicable (to protect critical habitat, wetlands, etc.)
4. The public shall be given notice of firewood cutting opportunities **if** that can be reasonably accommodated.

The City appreciates DOT/PF's concern about safety at the airport. Coincidentally, that very section of Kachemak Drive, adjacent to the hill, is probably one of the most dangerous stretches of road in Homer for pedestrians and bicyclists. A separated bike path, on either side of the road, in that location, would greatly enhance public safety. The City would appreciate the opportunity to discuss that further with you or the appropriate person in the Department.

Thanks for your time and consideration.

Sincerely,

CITY OF HOMER

Walt Wrede

City Manager

STATUS REPORT - CAPITAL PROJECTS

City of Homer - Public Works Department - July 2013

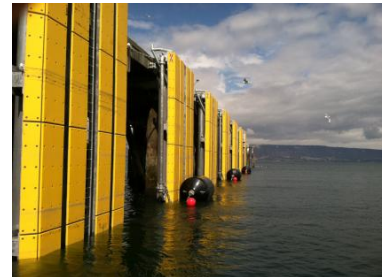
The following projects have been completed this year or are under construction:

Homer Natural Gas Trunk Line Extension – The gas trunk line from Anchor Point through Homer is more than 50% complete. The trunk line is expected to be complete this year.

Homer Natural Gas Main Extensions – The first year's construction of the gas mains in the "core" area has begun. The work is progressing generally from west to east, with service lines being install as mains are being completed. All core area gas main are expected to be complete this year.

City Building Conversions to Natural Gas – Cost estimates and funding has been established by the City Council to convert key City facilities that will have access to natural gas this year. These facilities include the sewer treatment plant, public works, animal shelter, library, city hall, and airport terminal. Conversion should be completed this winter.

Deep Water Dock Fender Replacement – New heavy-duty fenders and floating camels were installed on the face of the Deep Water Dock by Jay-Brant General Contractors. This work is funded by cruise ship passenger head tax revenues.



Downtown Restrooms – Foundation work has begun on the restroom at the intersection of Pioneer Avenue and Bartlett Street. Construction on the restroom planned for WKFL Park will begin in the next few weeks. This work is funded by cruise ship passenger head tax revenues. The work is being completed by Steiner's North Star Construction.

Spit Restrooms – The restroom at the approach to the Deep Water Dock has begun with the foundation and utility services complete. This facility will also include a guard shack and a shelter for cruise ship passengers. The foundation for a second restroom at the End of the Road Park is also underway. This work is funded by cruise ship passenger head tax revenues. The work is being completed by Steiner's North Star Construction.



DWD Trail/Cruise Ship Bus Staging Area – The construction contract for this project has been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The Staging area will be paved this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues.

Spit Trail Extension – The construction contract for this project has also been awarded to North Star Paving and Construction. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The paving of the End of the Road Park parking improvements will be completed this summer, with the trail being completed early next summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

Spit Trail Boardwalk Replacement Project – The construction contract for this project has been awarded to Puffin Electric. Work will start after Labor Day to minimize impacts to summer activities on the Spit. The improvements will be completed this summer. This work is funded by cruise ship passenger head tax revenues provided through ADOT.

STATUS REPORT - CAPITAL PROJECTS

Harbor Entrance Shore Protection Improvements – Bids for the construction of this project will be opened this month. Work will start after Labor Day to minimize impacts to summer activities on the Spit. This shore protection will solve shore erosion problem and allow for the Coal Point Trail to be constructed (providing access from the proposed Spit Trail to Coal Point Park. This work is funded by cruise ship passenger head tax revenues provided through ADOT.



City Beautification Project – The Parks and Recreation Department has again provided thousands of plants for City flower beds and local business barrels and planting areas. The crews at Parks and Recreation will also be planting 200 peony bushes around town - donated by a local commercial grower. Weeding and watering of these beds will continue throughout the summer.

2013 Street Repaving Project – Due to very wet weather at the end of the 2012 construction season, this project was postponed until this year. Various local streets were repaved, including portions of Soundview, Fish Dock Road, Ice Dock Road, Smokey Bay Way, Klondike Avenue, W. Fairview, town Heights Lane, Greatland Street, and FAA Drive.

Karen Hornaday Park Picnic Shelter Improvement – The last item of Phase I of the Karen Hornaday Park Improvements is the construction of a new picnic shelter. With the Help of the Karen Hornaday Park Committee, Public Works is bidding the construction of this facility. The shelter will be constructed after Labor Day.

Beluga Slough Trail Improvement – This project was constructed in 2012, the only remaining work is to install interpretive signing. The U.S. Fish and Wildlife Service is assisting in the design this signage and they should be installed before the end of the summer.



Small Boat Harbor System 5 Electrical Improvements – This project will be constructed this Fall. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved water and electrical service to the large commercial vessels that moor at this facility.

Small Boat Harbor Float Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will provide improved floats in the Small Boat Harbor, including A, J, R, and S float replacement; and utility improvements.

Small Boat Harbor Ramp 3 Replacement – This project will be constructed next year. Design is almost complete; bidding will be initiated in August. The project is funded 50% by State grant; 50% by City bond proceeds. The work will consist of the removal of the existing approach trestle and ramp and construction of a new shorted trestle and longer covered ramp.

Crittenden Road/Waddell Street Paving Project – This project was approved by a majority of benefiting property owners. The work consists of improving road and drainage to Urban road standards. The project is funded by property owner assessments and contributions from the Homer Accelerated Road and Trail Program (HART)

STATUS REPORT - CAPITAL PROJECTS

Redwood Tank Demolition – Although the identification of asbestos in the roof of this facility has complicated its removal, this 40 year old wood tank is scheduled for demolition this year.

Sewer Treatment Plant Headworks Intake Screen Replacement – The original treatment plant headworks (screening and solids removal at the beginning of the sewer treatment process) is being upgraded to facilitate better treatment.

Library Vestibule Improvements – Improvements have been made to the library vestibule to reduce noise and increase energy efficiency at the library. The improvements included sealing the partition between the hallway and the arctic entry and creating soffits over the beams that extended through the partition.



The following projects are in the process of being designed:

- New Water Storage Tank
- Shellfish Water Main Extension
- Kachemak Drive (Phase III) Water Main Extension
- Homer Spit Cast Iron Water Main Replacement

The design of the following projects is anticipated to begin soon:

- New Harbormaster's Office Building
- New Satellite Fire Station at the Water Treatment Plant
- Feasibility Study – Deep Water Dock Expansion
- Homer Spit Barge Haul Out Facility
- Chip Pad Runoff Water Quality Improvements
- Old Town Pedestrian Improvements