

MANAGERS REPORT
September 23, 2013

TO: MAYOR WYTHER / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

NOTE: Some of these items appeared in the last report. I have updated them and brought them back in case the Council wanted to discuss.

1. Gasline Progress: Enstar reports that the pipeline purges which have been taking place through much of downtown this week have been successful. They are confident in the quality of the construction. By the time Council reads this report, much of the distribution system between East and West Hill Road will be energized and filled with gas. Enstar has exhausted the State Legislative Grant on the Trunk Line and is now using its own funds for the final 3 miles of construction. Recall that this money will be repaid by consumers with a \$1.00 per mcf surcharge until the amount Enstar "advances" is repaid. This amount is still estimated to be around \$2.5 Million. The City is applying for full reimbursement of the grant proceeds. Enstar reports that it is running slightly over the trunk line budget but under the distribution system budget.
2. Port: You may have noticed the increase in business for vessel repair and scrapping at the beach haul out area. There is great demand for this service and I think it bodes well for the utility of the proposed barge mooring and haul out facility capital project. Bryan recently gave permission for another old tug to be scrapped there. This tug has been in the harbor and not moved for over a decade. Vessels that are hauled out in this area pay regular moorage fees if they are on the tidelands and storage fees if they are on the uplands. These activities also generate jobs and tax revenues. Of course, the vessels are also unsightly and a nuisance to some. This year we had to move and inconvenience some campers a little early due to business demand. Not all of the campers were happy and you may be contacted about it. Some campers are really interested in the work going on there. Others say it blocks the view (which it does) results in too much noise, and generally degrades the camping experience.
3. Kachemak City: The Kachemak City/City Council remains very upset about the new sewer fees as they pertain to Kachemak City. At recent Council meetings lawsuits have been discussed and the Regulatory Commission of Alaska has been contacted. The primary complaint seems to be the 3,500 gallon assumption for sewer billing. I believe the Council has hired an independent contractor to measure water consumption for Kachemak City residences to prove the contention that 3,500 gallons is too high. It is my hope that we can figure out a way to resolve this matter as we move forward. Kachemak City is our neighbor and an important customer. Nobody wants to pay for something that they believe they are not receiving and I think that is the primary concern here.

4. IT Wireless Equipment Purchase: Tomasz Sulczynski, DBA Subconscious Logic has been providing wireless services to the City for several years now. When Tom was hired as a fulltime employee, one of the conditions of his employment was that he divest himself of all contracts or agreements with the City for third party services. Tom has been attempting to sell his business but has so far been unsuccessful. Effective September 17, Tom will no longer provide third party services to the City. In order to make this transition smoothly, it is necessary for the City to purchase some of Tom's equipment because it is designed for and fully integrated into the City's network. This will save money and insure that there is continuity of service. We have agreed on a sale price for the equipment which is \$10,000. We can pay for this out of this year's budget using unexpended funds. Half of the money will come from the port and harbor equipment budget since much of the equipment to be acquired serves the enterprise fund. The other half will come from the IT budget using personnel money that was not needed because of an OWL grant obtained by the library. Please let me know if you have questions or want to discuss further.
5. This agenda contains an ordinance (second reading and public hearing) pertaining to the new proposed public safety building. You will notice that the ordinance contains instructions for me to use the GC/CM method of construction and to post an RFP for these services. This is what we recommend. We should talk about it more at the meeting to be sure Council is in agreement. Also, Council might want to consider forming a building committee, like it did with City Hall and the Harbormaster Building. Using the GC/CM method along with a building committee has been very successful for us in the past. In addition to getting ourselves in good position for the legislative session, we are also starting work on securing funding from other sources. In the next few weeks, Chief Robl and I will be meeting with the DOC Commissioner to talk about the new jail. The State is very interested in seeing a new jail here and will provide funding for it. Also, Chief Painter has learned that FEMA will pay for up to 75% of the cost of constructing new Emergency Operations Centers. This building will house the EOC.
6. HERC Building: The Borough Assembly held its regular meeting in Homer on Tuesday the 17th. During dinner, the Mayor, Councilmember Roberts, and I had a chance to speak with Mayor Navarre about possible assistance with the asbestos abatement and allowing the City to sell the property if it is determined that is the best course of action. We will be happy to provide details of the conversation at the meeting. Council member Howard has sponsored a resolution regarding the sale of the property.
7. City Building Gas Conversions. Carey is moving quickly to convert a number of City buildings to natural gas. Service lines and meters have been ordered and the a contract has been let to engineer the conversions. We expect City Hall, the Library, the Animal Shelter, and the Airport Terminal to all be on gas early next year and we are including conservative projected savings into the 2014 budget.
8. Bathrooms: You have probably noticed that the new bathrooms are rising up quickly. People notice the ones at WKFL Park and Bartlett/Pioneer but the ones farthest along are at the Deep Water Dock and End of the Road Park. Enstar has

- agreed to run service lines to the Spit restrooms this year, even though they would normally be part of Phase II. This will allow us to pave over the lines this year as part of the construction project. It will save us money to do it this way and we appreciate Enstar's willingness to work with us.
9. System 5 Improvements. At the last meeting we reported to you about a large change order I approved for work at System 5 in the harbor. The change order will allow us to provide more electrical services and will greatly improve service there. The Council will see a very quickly payback and significant increase in business and customer satisfaction because of this move. We appreciate your support.
 10. Budget: We are working internally on the draft budget and at this point, are on target to deliver it to Council on October 14 and introduce the budget ordinance and supporting resolutions on October 28.

ATTACHMENTS

None