



City of Homer

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MANAGER'S REPORT

January 27, 2014

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. Natural Gas Conversions: City Hall, the Library, the Public Works building, the Sewer Treatment Plant, and the Animal Shelter are all converted, hooked up, and being heated with natural gas. The two new restrooms downtown are also connected. The remainder of the buildings on the approved list for conversion will be done in phase II, probably late summer or early fall this year. We have taken another look at converting the Fire Hall and may want to discuss that further.
2. Airport Terminal Gas Conversion: The Airport Port Terminal was also scheduled to be converted to natural gas this month. However, that project has been slowed a bit while PW looks at another approach. The mechanical room at the terminal is rather small. It turns out that adding new jets to the furnace there makes it almost impossible to get in and do any work. The boiler is already 20 years old and may need increased maintenance going forward. We are considering the purchase of a new boiler instead of converting the old one. The new boilers are close to 100 percent efficient, they are so small that they can be mounted on the wall, and of course, you have a boiler that you can expect to last many years. If we went this route, we would have to request another \$20,000 from the Council, but I think it would be worth it. Even though more investment would be required upfront, the payback period is still just a little over a year and the City ends up with a new and much more efficient boiler. Much depends on whether we can sell or find a use for the jets we already purchased. Carey and Dan are working on that now.
3. Downtown Restrooms: The new downtown restrooms are undergoing final inspection and they will be ready for use shortly. By far, most of the feedback we have gotten is that they look really attractive and will add to downtown. The downtown business owners have been requesting public restrooms for many years and it is finally a reality. Many business owners have expressed how happy they are about this and we are receiving inquiries about when they will be open. We anticipate that the restroom at WKFL park will receive more use in the winter than the one by Bartlett St. They will be really popular during parades and special events. Right now the tentative plan is to keep just one door open in each restroom

during the winter months. After a few months, we should have better information about usage patterns and maintenance and operations costs.

4. Harbor Construction Projects: This agenda contains a resolution awarding a construction contract for the replacement of Ramp 3 and several floats in the harbor. You may recall that this work was paid for by a 4.2 Million State grant and \$4.2 Million in bond sale revenue. Here is the good news. All of the bids came in under the engineers estimate and the two lowest, from very reputable companies, came in approximately \$2 Million under the estimate. Carey has double checked the bids and he and Bryan have talked to the engineers who did the cost estimate to look for discrepancies. So, there are decisions to be made about what to do. We are currently checking with the granting agency, the Municipal Bond Bank, our attorney's, and others to see what the possibilities are, from borrowing less and returning some grant money to using the money for other projects. Bryan is compiling a list of other projects on the CIP list that these funds could be used for. We would be very happy to discuss this situation in detail at the meeting. Right now, we are leaning toward recommending that we add a change order to the construction contract to replace additional floats on the CIP List and provide them with water and electric. Bryan would like to design a new float to accommodate the 60' by 60" fishing vessels that are becoming more common in the fleet. This could generate additional revenue for the Enterprise Fund. The advantages of going this route include 1) save on mobilization costs, 2) save on engineering and design costs, 3) approval from funding agencies is easier because we are simply expanding the existing project scope rather than adding new, completely different projects, and 4) we can move quickly. Remember that the State grant money must be expended within 18 months.
5. Skyline Drive Fire Station: As you know, the City has many construction projects underway, soon to be completed, or in the planning stages. It is really hard to keep all of those balls in the air and I am constantly amazed and appreciative of the job that Carey, Bryan, and Dan do in that regard. I really don't believe we could keep up this pace and get as much done as we are if the Council had not seen the wisdom in hiring a new project manager several years ago. One of the projects that is flying under the radar a little is the new Fire Station on Skyline Drive. I just wanted to mention that this project is also moving ahead. Engineering and design is complete and I signed the Public Notice / Request for Construction Bids this week. Hopefully we will receive good bids and construction will commence this spring or summer.
6. Parks and Recreation Needs Assessment: Work has begun on the Parks and Recreation Needs Assessment. Based upon the conversation the Council had at the last meeting (move fast, form a committee administratively, use the Parks and Recreation Commission) and the discussion the Parks and Recreation Commission had at its meeting on January 16, I have formed the small working group/steering committee. The first meeting is Thursday, January 23, at 5:30. It is a seven member Committee. Not all of the names have been finalized at the time this was written but the seats include Community Recreation Program, ReCreate Rec, Chair of the Parks Commission, MAPP, Homer Council on the Arts, Voices for Business, and the Homer Hockey Association. The first meeting will be organizational in nature and will include meeting schedule, work plan, etc. The Parks and Recreation Commission will be involved at key points, approve work products, hold public hearings do public outreach, and make recommendations to the Council.

7. GC/CM Proposal Receipt Log: At the last meeting the Council approved creation of a GC/CM Committee to oversee the new public safety building project. You may recall that the City has already solicited proposals which were due January 21. Evaluating the proposals is one of the first tasks the Committee will do. Attached is the Proposal Receipt Log. You can see that we got a good response. I am pleased to see a good response from local firms.
8. Citizen's Academy: Katie is working very hard on setting up the Citizens Academy. The Academy is scheduled to begin February 20. We appreciate the helpful input from Council member Howard. Attached is a memorandum from Katie on this topic and she will be available to discuss it at the meeting.
9. Compensation Parity Studies: At the last workshop on employee compensation, the Council requested copies of recent parity studies conducted by other municipalities. Andrea has obtained these documents and I believe they will take up several hundred pages in your packet. Sorry! Andrea is also doing a report for you which summarizes and consolidates this mass of information so it is easier to digest. Because of the executive session, it is likely that we won't have too much time to talk about this on Monday night. Another workshop will probably have to be scheduled if the Council wants to dive into this in any detail.
10. Sound System in Council Chamber: You will recall that the sound system, the mikes, the teleconference connection, and everything associated with it was a disaster at the last meeting. Further, the reception at KBBi was awful as well. Nick is looking into this in detail and will provide you with a report and some recommendations, probably at the next meeting.
11. Critical Habitat Legislation: Katie and Linda Anderson are making great progress with building consensus and crafting legislation that would remove the Homer Port and Harbor from the Kachemak Bay Critical Habitat Area. We have received lots of help from the Planning Department, Bryan Hawkins, ADF&G, and DNR. The legal description of the new boundaries is being prepared by DNR and will be included in legislation that will be introduced shortly. Special thanks go to Representative Seaton, Senator Micciche, and the Speaker of the House, Mike Chenault.
12. Spit Parking Lot: At the last meeting, during public comments, a citizen mentioned that he thought HART funds should not have been used to construct a parking lot on the Spit. That is a fair point and may warrant additional discussion. You will recall that Council recently approved design of a parking lot extension adjacent to the existing parking lot at the Seafarer's Memorial. We told you at the time that using HART funds for this might be a stretch and that other sources of funding were available if Council wanted to discuss it. In short, we have used HART money for parking lots in the past. We have received legal guidance that constructing parking lots was probably OK if the parking lot has a direct nexus to a trail. In other words, it was the jumping off point for a trail, access point, or it was obvious that everyone parked there to use the trail. We did this most recently with the parking lot improvements at Bishops Beach (paving) because it is a jumping off point for the Beluga Slough Trail, the new trail to be built on Charles Way, and the new pedestrian lanes in Old Town. I think we may have also used HART funds for improvements and expansion at the Spit Trail Parking Lot on Kachemak Drive. The parking lot expansion at the Seafarers Memorial will clearly be used by folks using the new and extended Spit Trail and the trail extension to Coal Point. However, it is across the street and a block away from

the trail and it will also be used by folks patronizing local businesses. So, let us know if you want to discuss this one further.

13. Chief Painter Accepted into FEMA Academy: Fire Chief Bob Painter has been accepted into the National Emergency Management Executive Academy. This program is a collaborative effort between FEMA's Emergency Management Institute and prominent programs at higher education institutions offering a cutting edge curriculum that support the advancement of the emergency management profession and its executive leadership. Collaborators include Harvard University, the University of Hawaii-National Disaster Preparedness Training Center, U.S Navy Post graduate School, Center for Homeland Defence and Security, and Texas A&M Engineering and Extension Service. Only 40 applicants were selected nationwide. The course is held in Emmitsburg Maryland in four week long sessions spread over the entire year. Congratulations to Bob. This training will serve the community well and we are fortunate to have someone as qualified as Bob in this position.
14. Wastewater Agreement with Kachemak City: This agenda contains a resolution approving a new wastewater agreement between the City of Homer and Kachemak City. This agreement has not been updated since it was originally signed in 1988. The new version is mostly an update and removes much of the language that is no longer relevant; especially all of language having to do with construction of the new sewer treatment plant and the sewer lines in Kachemak City. One thing of particular note is that the draft agreement says the baseline average for gallons put into the system is 2,500 instead of 3,500. You will recall that this was a big issue for Kachemak City when the new water and sewer rate fee schedule was approved. Since the fee schedule was approved, we have spent more time talking to Kachemak City about this and we are pretty certain that the average monthly number of gallons placed into the collection system is significantly less than 3,500. There are many reasons for this including the fact that everyone either hauls water or has it delivered. People who do that tend to be much more conservation minded. Also, the demographics there are changing. Kids are grown up and moving out, the population is aging, and many residences have only two occupants. The new rate model was based primarily upon consumption. Keeping that in mind, it seems inconsistent with the intent of the model to charge people for more than they are actually using. Installing meters is problematic for a variety of reasons and measuring how much water people use is complicated because it is delivered, hauled, collected by roof cistern systems, and obtained via wells. 2,500 gallons seems like a reasonable number. The available evidence seems to suggest that the average is probably less than that. Another reason for dropping the number to 2,500 is that Kachemak City residents do not have the ability to shut off their meters and pay less during the months that they are away and are not putting anything into the system. They pay the full amount whether they are home or not. We recommend changing the amount to 2,500. If Council agrees, we will have to amend the fee schedule. The estimated fiscal impact is about \$27,000.
15. The Finance Department has been awarded a Certificate of Achievement for Excellence in Financial Reporting for their comprehensive annual financial report for the fiscal year ending December 31, 2012. This certificate is well deserved by the dedicated staff in the Finance Department.

ATTACHMENTS

1. Public Safety Building Proposal Log
2. Letter of Support to UAA RE: Hydrokinetic Study Proposal
3. Letter for Certificate of Achievement for Excellence in Financial Reporting