

MANAGERS REPORT

June 27, 2011

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Attorney Contract: The City attorney recently returned from vacation but he is aware that Council would like to know if he proposes any amendments to his contract. He has assured me that he will address this issue prior to the meeting. At the time this was written, that had not yet occurred but I am sure I will be able to report on that by meeting time.
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. **(NEW INFORMATION)**. I included the above report again since this might be a topic we want to address during the workshop on the parity study. Andrea and I are both planning to attend the first Borough meeting on health care plans scheduled for June 29 at noon in Soldotna. We are beginning the process of re-establishing the employee committee so that it is organized and in good position to provide input on any proposed modifications to the insurance plan.
3. KBBI / Emergency/Disaster Equipment Contribution: After the recent tsunami in Japan, we discovered some flaws in our overall emergency communication system and SOPs. One of them was that the radio stations did not get quick and accurate information for emergency broadcast messages. In a recent meeting with KBBI, Chief Robl suggested that one good way to provide staff with alerts, even late at night when no one is in the office, is for key personnel to have a NOAA Marine / Emergency Alert Radio in their homes. Funding was an issue. We offered to contribute \$135.00 from the Police communications budget to purchase

three of these radios for KBBI. We reasoned that this expenditure was justified in the interest of public safety.

4. City Hall Construction: You have probably noticed that construction is well under way. The foundation for the addition has been poured and much of the drainage work, including the storm water retention area is pretty far along. Preliminary renovation work in the old planning, IT, and administration areas has begun. The planning, administration, and IT staff are all now located at the Old Intermediate School. This move was a major undertaking and we could not have done it without tremendous assistance from the Homer High Football team. We anticipate being at this location until Thanksgiving or Christmas. We are tracking the costs associated with this move. So far the costs are minimal and include a contribution to the football team and re-keying the building. We expect costs will stay low through the summer and early fall months. We are using very little electric and heat at this point and will do what we can to minimize energy usage. The Boys and Girls Club is closed for the summer and depending upon decisions made later on, they may not be there in the fall either. That will also reduce energy costs.
5. State Capital Projects /: At the time this report was written, we were still waiting, like everyone else around the state, to see what the Governor might decide regarding the Capital Budget. We sent him correspondence regarding the gas line and the Mayor invited him to visit Homer and view the project himself. During the past two weeks, Bryan, Anne Marie, and your lobbyist Linda Anderson, have been providing information to the Director of the Office of Management and Budget regarding the cruise ship passenger enhancement project. Karen has been communicating with us directly and has been asking good questions, which we hope is a positive sign.
6. Old Intermediate School: Last week I met with the two groups that submitted proposals to lease the old intermediate school as requested by the combined Lease and EDC Committees. The purpose of the meetings was to obtain more information that would be needed before the committee would be prepared to make a recommendation to the Council. There are several immediate issues for us to consider. First, the applicant who submitted a proposal to lease the entire building does not want to occupy it until the fall of 2012. If this proposal is ultimately accepted by the Council, it would mean keeping the building in "warm status" for almost a year. Second, and more immediate, is the Boys and Girls Club. The Club has not secured a new location. Since we are occupying the building, and will be until the end of the year, the Council could consider allowing the Club to continue to occupy the lower floor until then. The Club's Board has stated that it would be able to make payments of \$700 per month to help offset the cost of utilities.
7. Transportation Committee Recommendation: At the last meeting, the Council received a recommendation from the Transportation Committee that all intersections on the Sterling Highway between Pioneer Avenue and Lake Street be designated as right hand turn only. I assume Lake Street would be exempt because of the traffic signal and that this scheme would be summer only. Council asked for a map showing the intersections involved with turning arrows. It also

asked for a draft resolution. A large map will be provided at the meeting for discussion purposes. The draft resolution is attached.

8. Fishing Hole Concerns: As you know, the Fishing Hole has been filling in and it needs to be dredged. We have discussed this as a capital project in need of funding on several occasions in the past few years. You may also know that ADF&G is experiencing a survival problem with stocked smolt; especially with the early kings. This occurred again this year when over 50% of the smolt died in the pens on June 6. A decision was made to release the fish early the next day which may further reduce survivability. There are many theories about what is going on. Some think that the depth of the lagoon may be a problem. ADF&G has also discovered a Chaetoceros Bloom (Diatoms) which is known to affect the gills of young fish. ADF&G is currently doing research on this bloom and other possible explanations with assistance from KBRR and others. They are also doing depth studies at the lagoon. As the results of these studies come in and the scientists get a better idea of what they think the problem is, we will provide updates and perhaps invite ADF&G to make a presentation. In the meantime, the City should probably focus on how to get the dredging done.
9. Training Dates: At the last meeting, during the discussion about the records retention ordinance, it was suggested that a training session for Council (and maybe for Commissions too) about public records and especially the use of e-mail would be a good idea. I discussed this topic with Holly and she could put something together quickly if the Council is ready to proceed. A target date for this training would be very helpful. Feedback from the Council would be very helpful.
10. Playground Improvements / Karen Hornaday Park: This agenda contains an ordinance that is up for second reading and public hearing which would make a \$5,000 contribution to the Homer Foundation to be used as seed money to launch a much bigger effort by HoPP to make major improvements at the playground. Some concerns have been expressed by individual Council members about this money being used for administration fees or for activities that do not include the direct purchase of playground equipment. Please let me know if any of these issues are of concern to the full Council. We have been looking further into these questions and are prepared to discuss them. I would also remind the Council that as the grantor, it can place conditions or stipulations upon grants or contributions that it makes. The agenda also contains a resolution approving an MOU between the City, the Homer Foundation, and HoPP. I have attached information located by the Clerk's office for the Mayor which shows that a similar approach (to the one proposed in the MOU) was used in 1997; the last time the playground was improved significantly.
11. STIP Amendment #22: DOT/PF recently issued Amendment # 22 to the State Transportation Improvement Program Plan. The Mayor asked that I provide an update for the Council regarding Homer Projects. At the time this report was drafted, we were still reviewing the amendment. I will be prepared to provide a verbal report at the meeting.
12. Kachemak Drive Water and Sewer / Phase II: The objection period is over and it looks like the property owners have given a pretty definitive "thumbs up" for

moving ahead. As a result, the Tentative Agenda for this meeting contains several resolutions regarding this project. One awards the construction contract to the low bidder. The other authorizes us to borrow the additional money needed for financing the construction phase. At the time this was written, we were reviewing all of the information to make sure we are ready to go on both fronts.

ATTACHMENTS

1. Letter from Homer Children's Services
2. Information from Prior Playground Project
3. Draft Resolution