

MANAGERS REPORT
September 12, 2011

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Lobbyist Contract: I recently had a conversation with Linda Anderson about a contract for next year. She inquired whether the City is interested in a new contract. She said that Anderson group is very much interested in continuing to work with the City of Homer. She proposed no change in the contract terms or in the compensation amount. I told her that I would discuss this with the Council and let her know. Linda will be in Homer for the Harbormaster's conference that runs from October 10th through the 13th. She will be helping to make a presentation about the fish tax legislation. Council has a meeting on Monday the 10th and it is conceivable that you could meet with Linda and talk to her directly about this. Unless Council wants to talk about this topic prior to the September 24th meeting, I will plan to insert the money for a lobbyist into the budget that will be submitted at that time.
2. Derelict Vessels: The Port and Harbor Director and the City Attorney were successful in having another derelict vessel removed from the harbor last week. This was a monumental effort that took over a decade. The City Attorney's office has completed a legal review of Federal maritime law and the City Code and Tariff. Guidelines and protocol for Port and Harbor staff have been developed that will be very helpful when it becomes necessary to deny access to port and harbor facilities.
3. The Fishing Hole: I have had several conversations with ADF&G staff over the past few weeks about the Fishing Hole. ADG&G is interested in doing whatever it can to assist the City in obtaining funding for dredging. ADF&G states that it is unable to make its own budget request for dredging however, it hopes the Council will include the project on its CIP Priority list. If it does so, ADF&G will try to provide support with Legislators. ADF&G may come to a future meeting as a visitor to describe how important it thinks dredging is for future productivity at the lagoon. We have tentatively discussed September 26 and October 10.
4. Svedlund and Pioneer: The new Senior Center Director, Keren Kelley, came to visit this week and reported that seniors who drive and the Senior Center Board are very concerned about safety at the corner of Svedlund and Pioneer. Making a left hand turn is problematic and there are line of sight issues. The Board asked whether the City would consider a stop sign at that intersection on Pioneer. I told Keren about the intersection study that was conducted several years ago which identified the most dangerous intersections in need of traffic control. I also told her about right turn only discussions taking place at the Transportation Committee level. I also told her that I would bring this issue to the attention of the Chief of Police, the Council, and the State Traffic Engineer. Keren said that the Board would likely follow-up with a letter to either me or the Council.

5. Copier Savings: We recently revamped and renewed the City's leasing and service contract for Xerox copy machines. This covers the copy machines in all city departments. We were able to get the newest, most energy efficient machines and still save \$12,000 over what we are paying now. Terry and Regina were able to pull this off by synchronizing the expiration date for all of the machines and by making use of an already negotiated state contract. (political subdivisions of the state are able to do this). I am letting you know about this not only because I am pleased about the savings, but also because there will be other opportunities to take advantage of state negotiated contracts in the future. I believe the language in the City's procurement code could be amended to make it more clear that taking advantage of negotiated state contracts is consistent with the City procurement code. Recall that we discussed this issue before related to vehicles.
6. Animal Shelter: Council members recently asked several questions about the Animal Shelter within the context of the soon to begin budget discussions. One question had to do with the 5% annual increase in the existing contract. The other had to do with what it might cost to staff the facilities with employees. Chief Robl has concluded that it would likely take one full time employee and two part time employees if the City were to keep the Shelter open to the public the same hours that it is now. Regina will be running the numbers on what that might cost. With benefits, it would likely be more than the City is paying under the current contract. Also, the City would then have to begin paying for things that it is not now such as food, supplies, fuel, vehicle maintenance, etc. It is important to note that the 5% increase each year is not just compensation, it was intended to cover increases in fixed costs (fuel especially). The Chief has met with Sherry Bess and she has stated that she is willing to exercise a contract option for two more years with no increase. Attached is a memorandum and recommendation from the Chief on how to move ahead.
7. MOU/Frequency Sharing Agreement: At recent Council meetings we discussed the FCC requirement that all two way radios go to "narrow band" by January 2013. We discussed this most recently in association with the ordinance that just passed to purchase narrow band radios for the Public Works Department. The Borough is assisting public safety agencies with the conversion this month and in order to do that, a frequency sharing agreement is necessary. This is an important public safety issue because it will allow local and state public safety agencies to communicate with each other on the same channels during disasters, emergencies and mutual aid situations. The FCC requires that license holders of radio frequencies must grant permission in writing for other entities to use that frequency. The State, Borough, cities and emergency service areas within the Borough are party to the agreement. The MOU has a place to list the resolution number of the approving board if applicable. We have already signed the agreement because time was of the essence. We can bring back an "after the fact" resolution if Council wishes but did not think it was necessary because this seemed routine, there is no monetary or contractual obligation, and the City can get out of the agreement with 30 days notice.
8. State Small Business Credit Initiative (SSBCI). Last week, Council Members Hogan, Zak and I participated in a teleconference regarding the SSBCI. This is a Federal program designed to extend credit to start-up businesses and to businesses who either have problems obtaining credit or are located in areas where lending is restricted. The

program funds are generally intended for states but in this case, Alaska did not take the money. A representative from the Governor's office stated that the state did a lot of research on this but in the end, after consulting with local banks, decided that the program was not needed here. If states don't take the money, it can be available to municipalities under certain conditions. In essence, a municipality would accept a grant and then use the money to work with local banks to extend credit to local businesses. Cities can do this by providing capital access support, collateral support, loan guarantees, loan participation, or venture capital. In essence, the City would get into the banking business. The deadline for applications is September 27 which is a very short timeline. The application process is rather complicated. Council member Hogan has sponsored a resolution in support of investigating the program and authorizing the administration to apply. So, I will save any further comments for discussion.

9. OWL Project / Library: Attached is a memorandum from Library Director Ann Dixon regarding the On-Line With Libraries Project (OWL). In a nutshell, the State Library and the Alaska Department of Education and Early Development received funding from a variety of sources to enhance public computer centers at libraries around the state. Libraries were invited to participate and Homer was one of those chosen. We signed a letter of intent to participate back in December of 2010 and an MOU this July. Much of the work is already done. When Helen and I first talked about this opportunity last year, I did not think about bringing Council the normal ordinance accepting and appropriating grant funds because it was the state receiving the grants, not the City. The City was simply asked if it wanted to participate in a State program and would be among a number of Cities doing so. I am thinking about it differently now. The City is in fact receiving computers, video conferencing equipment, and a variety of other equipment and software. In that sense, it is very much like a grant. In addition, the City agrees to stay in the program for two years and pay a small percentage of the monthly internet costs. I regret that we did not think about this earlier but I am happy to bring you an ordinance accepting and appropriating the equipment if Council wishes. Both the library staff and the Friends of the Homer Public Library are very excited about bringing broadband, new computers, and video conferencing capability to the Library at minimal cost to the City.
10. Borough Ordinance 2011-07: Borough Ordinance 2011-07 is back on the table for public hearing and second reading at the Assembly meeting on September 6. This is the ordinance that would reduce the number of Borough Planning Commission members from 13 to 11 and would combine the Homer and Seldovia seats. You will recall that the Council adopted a resolution in opposition to this ordinance. At the time this report was written, I was planning to attend the meeting to testify on behalf of the City. I should be able to give you a report at the meeting.
11. City Hall Expansion and Renovation / Contract Modification and Amended Budget: Attached is a copy of Contract Modification # 2 and a revised budget. This document was reviewed by the Task Force at a meeting last week. Basically these amendments change the contract to include the renovation work the Council approved in the old part of City Hall and some additional work to rectify unanticipated problems (such as the need to add a beam in room 145 and additional structural engineering costs). Cost reductions from the original budget are also shown in the amount of \$42,400. The

contract modification and change order uses up some of the contingency fund however, \$70,792 remains, which is deemed to be adequate at this point in the project. Carey Meyer will be present to take the Council through this in detail if you wish.

12. Drainage Master Plan: The recent heavy rains have reminded many in town that the City and private property owners could benefit if the City adopted a Master Drainage Plan. Public Works Director Carey Meyer has been talking about this for a number of years and has explored funding options. Drainage problems and public complaints about drainage are a topic often encountered by both Public Works and the Planning Department. Council member Hogan has expressed his concern and requested that I address the issue with the Council and “get it on the table” for discussion. I include it here for that purpose.

ATTACHMENTS

1. September Employee Anniversaries
2. Department Statistical Report for July 2011
3. City Hall Expansion and Renovation / Contract Modification and Amended Budget
4. Chief Robl Memorandum re: Animal Shelter
5. Library Director Ann Dixon memorandum re: OWL Project
6. MOU / Radio Frequency Sharing Agreement.