

MANAGERS REPORT
January 9, 2012

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Revolving Energy Fund: A good portion of the Committee of the Whole meeting is devoted to a general discussion regarding the Revolving Energy Fund. Your packet contains a memorandum from the Finance Director which outlines some of the issues and concerns about the Fund and its full implementation that we referred to in prior reports. No action is scheduled for this meeting but the memorandum contains recommendations for action at future meeting. The primary author of the memorandum is Regina but Carey and I both had input and made contributions.
2. Legislative Priorities: The Legislature is getting ready to convene in Juneau toward the middle of this month. We have been thinking about what the legislative lobbying priorities should be this year. Katie and I have been talking about it and we had a meeting with Linda and Yuri on the phone this past week. I am planning to send Katie to Juneau in early February to get some early face time with key legislators. Some of the key strategy issues revolve around how to move ahead on the fish tax issue, what to do about the gas line now that the Governor has not included it in his budget but has hinted about what it would take to avoid another veto, other projects that have a chance this year that we should put energy into, and how to get some of Homer's projects included in potential statewide transportation and harbor GO Bond sales. Please let me know how the Council would like to be involved in helping to establish this year's priorities and strategy. I will try to set up a teleconference report for you with Linda for the next meeting on the 23rd.
3. Fishing Hole Funds: The FY 2011 Operating Budget contained \$7,000 as a contribution to fish stocking at the Nick Dudiak Fishing Lagoon. As we were reviewing year-end expenditure reports in December, we noticed that this money had not been spent and found that no invoice had ever been received. We checked with both ADF&G and the Cook Inlet Acquaculture Corporation. It turns out that the City's contribution is usually used to purchase fry from Cook Inlet Acquaculture. ADF&G supplies the early run Kings and the Acquaculture Corp. hatchery supplied the late run Silvers. No late run Silvers were purchased this year. ADF&G said that they had no use for the money so we allowed the funds to lapse back into the G.F. Fund balance. Further, with the new ADF&G hatchery on line at Elmendorf AFB, ADF&G believes that it can supply fish within its own budget and it is questionable whether the FY 2012 appropriation will be needed either.
4. City Hall Expansion and Renovation Update: Attached is a progress report from Public Works Director Carey Meyer.
5. Cost Estimating / Harbor Revenue Bond Projects: The Port and Harbor Revenue Bond Committee has requested that the City contract with qualified engineers and/or other professionals to obtain current and more precise cost estimating for the harbor

projects which may be part of a revenue bond sale. The Council added money for this purpose to the FY 2012 Budget. The purpose for doing this is so that Council will have better and more reliable information on how much it would have to borrow and how much it would have to raise fees in order to make bond payments.

Representative Seaton has also requested better cost estimates so that he can work on getting some of these projects into the Capital Budget, perhaps as part of a statewide G.O. Bond sale. The City has obtained a proposal from PN&D, a qualified marine engineering firm to perform this work. The work product will be Rough Order of Magnitude (ROM) estimates and it can be delivered in less than 30 days. The cost is \$7,500, less than one half of the appropriation. The City has issued a Notice to Proceed. This will allow us to obtain the numbers quickly, as requested by the Committee.

6. ISO Workshop: Councilmember Hogan recently contacted me with some questions about the City's ISO rating. He wanted to know what the City could do to improve the rating. I asked Chief Painter to place a copy of the last ISO report in your boxes. This report outlines the scoring criteria and discusses where the City is weak and what it can do to improve its rating. Kevin asked if we could have a workshop to discuss the rating. Council can certainly do that if it wishes; especially if the ISO Report does not answer any questions you may have about how the rating is determined and what the City can do to improve it.
7. Gasline Task Force: Kachemak City Mayor Phil Morris called last week to let me know that a Task Force is being created to keep the pressure up on the gas line. The purpose of the Task Force is to raise public awareness and to strategize about a lobbying strategy for this year. The group wants to work with the business community to make sure their voice is heard by the Governor and the Legislature. The group is looking for members who have good contacts in the community and are willing to do a little work. The folks starting the Task Force are all from Kachemak City including the Mayor and at least one Councilmember. They would like to have at least one Councilmember from Homer as a member. Please let me know if you are interested or you can contact Phil directly.
8. Proposed Deep Water Dock CIP Project: Funding for additional feasibility work on the proposed Deep Water Dock Expansion is on the Top 15 CIP Priority List. Representative Seaton has suggested that it would be a good idea to change this project to one that specifically targeted improvements to the dock that benefitted oil and gas drilling rigs, whether that be feasibility studies or capital construction. The idea is that it would demonstrate that Homer is indeed open for business that supports the oil and gas industry. He believes this would change the image of Homer and perhaps some attitudes. It might make it easier to get funding and smooth the way for gasline funding as well. He may come and talk to you about this. If Council wanted to do this, it would require a new project description and a resolution amending the CIP Priority List. This is something I would not recommend doing without a public hearing and some opportunity for the public to weigh in. All of the other projects on the CIP List have been vetted over a series of months and last minute changes like this have the potential to trivialize the process if not handled carefully.
9. Personnel Policies: We are presently looking at changes to the Personnel Policies that affect part time employee benefits and how holiday pay is calculated. There are other

changes contemplated as well including the changes to the PERS benefit discussed during the budget hearings. Once we have these proposed changes ready, we will bring them to the Council for consideration.

10. Procurement Policies: The City's procurement policies have not been revised for many years and are outdated. The Finance Department has initiated a revision of those policies which will then be reviewed by the department heads. We anticipate have this to Council for consideration within the next few months.
11. Karen Hornaday Park: One of Katie's first assignments is to try and bring all of the various interest groups together and decide on a strategic plan for how to spend the money we have for implementation of Phase I of the Park Plan. Several things are driving the need to get on top of this. First, the HoPP organization is preparing to apply for a Rasmussen Grant. They would like to see a \$50,000 contribution from the City in order to provide a match and show strong local support. Some of the other interest Groups have expressed concern that the money will be spent before they get a chance at it and the broader spending plan is agreed to. Park and playground advocates have approached Representative Seaton about additional funding. He has stated that he cannot consider more funding until the existing grant money is expended. There is also confusion about the money set aside for engineering, contingency, and as a possible match for a future Land and Water Conservation Fund Grant. In short, there are lots of ideas and lots of people who care about the park. We need to get everyone on the same page and move this project ahead. This topic will be discussed at the Parks and Recreation Commission meeting on the 5th and perhaps one of the members will report on it during Commission reports.
12. Training Opportunity? Holly Wells is coming to Homer to conduct a 3 or 4 hour training session for the Planning Commission the afternoon of January 24. This is the day after the Council meeting. Rick inquired as to whether the Council would like to participate. If so, topics could be selected that are important to both bodies, like the open meetings act and ex-parte contact, for example. Let us know what you think. I think it would be beneficial for all of us to sit in on a Planning Commission training even if it is tailored specifically for them.

ATTACHMENTS

1. December Employee Anniversaries
2. Memorandum from Public Works Director re: City Hall Project Update
3. Department of Energy Website Article re: City of Homer Energy Efficiency Project
4. City of Homer Buildings and Facilities / Commissioning Report / Final report on Energy Efficiency Project
5. Petroleum News Article: Homer Area Natural Gas Line