

MANAGERS REPORT
July 23, 2012

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Mid Year Budget Amendments: This agenda contains three mid-year budget amendment ordinances. Three ordinances were used because the proposed transfers involve depreciation accounts for multiple budget years, 2012 operating expenses, and new capital projects. It seemed cleaner to do it that way rather than try to accomplish all of that in one ordinance. These ordinances attempt to do two things: 1) appropriate excess revenues from FY 2011 and 2) appropriate funds to cover unanticipated operating expenses. The City took in revenues that exceeded budget projections for 2011. Over 400,000 of that was sales taxes due to the rising costs of things like fuel. Revenue Sharing turned out to be more than was budgeted and the City also saw an increase in the jail contract. PERS relief had to be shown as revenue which skews the numbers somewhat. The administration is proposing to appropriate most of the excess revenues into depreciation accounts to compensate for the fact that no funds were transferred into these accounts in either 2010 or 2011. Funds are also appropriated to repay the Revolving Energy Fund. The ordinances also propose appropriating money and amending the current FY 2012 Operating Budget to address unanticipated increases in fuel, electricity, and overtime costs. Most of the major cost increases have explanations in the margin however, we will be happy to explain any line item at the meeting.
2. Land Negotiations: The Council recently adopted Resolution 12-54 (A) which authorized the City Manager to negotiate a purchase agreement for Lot 75 Bunnells Subdivision. Contact has been made with the property owner and a commercial appraisal has been ordered.
3. Intersection of Lake and Pioneer: You may recall that Lake Street is scheduled to receive a make-over which includes fixing drainage problems, new pavement, and a new bike lane. We were recently informed by DOT/PF that they may have access to additional funds to upgrade traffic control at the intersection of Lake and Pioneer. This intersection was identified as one that would need improvements in this timeframe. DOT/PF prefers roundabouts and thinks one would work well at this location. However, they wanted to check with the community first. They wanted a quick answer because if the City had a preference, they would need to include it in the environmental and permitting documents, which they are working on now. We did not want to be held responsible for delaying the project further. We told them that the administration had no objection to roundabouts or specifically, one at that location, but that we would bring this to the Council's attention. We told them that if they went with a roundabout, that they would need

to address the most common questions related to truck traffic and pedestrian safety. DOT/PF plans to hold a public meeting on this topic as well.

4. Intersection Main and Sterling: We had a teleconference with DOT/PF about this intersection last week. The traffic engineer wanted us to know that he was submitting a proposal/recommendation for “safety” funding for this intersection and for the intersection of Main and Pioneer. We used the opportunity to re-emphasize that the Council wants traffic control at Main and Sterling ASAP. We have since been debating the pros and cons of allowing DOT/PF to apply for the intersection money and then using the \$2 Million the City has to fix up Main Street itself. But this might take longer than the community wants. We all agreed that the fastest way to get something done at Main and Sterling is for the City to assume responsibility for the project and manage construction. This is a topic we could use some guidance on from Council.
5. High School Track: The Borough received a Legislative Grant for 1.1 Million for the Homer High School track. The construction bids are now in and it appears that the Borough has enough money for the base contract and Alternative 1 which is the long/triple jump. Approximately \$51,000 is needed to complete the other alternatives which include the shot put area, blue track, and exterior curbing. An active search is on for the rest of the money. I have been reminded that the City of Kenai is providing some matching funding for the track there. I have been asked by Borough and School Board representatives if the City of Homer would consider helping out. Please let me know if Council is interested. A good argument could be made that these improvements benefit the entire community.
6. Banners: Perhaps you have noticed that banners are appearing at businesses all over town. This seems to be getting quite popular in communities all around the state. Under the City code, these banners can be considered advertising and/or signs. It could be argued that banners in some cases cause sign code violations. The planning department has been debating how to react and whether an enforcement effort is necessary. Since the summer is already half over and since reasonable people can differ over these banners, their impact, and whether they should or should not be enforced under the sign code, we have decided not to spent time and resources on enforcement efforts right now (unless there was a safety issue, an extreme case, or the banners proliferated rapidly). We concluded it made sense to evaluate these banners and their impact this summer and make enforcement policy or code changes over the winter if it seems appropriate. It did not seem like a good use of time and resources to jump right into another sign code controversy! When it comes to zoning code enforcement, there are much higher priorities.
7. Harbor Projects: This agenda contains a resolution expressing the Council’s support for a grant application to help finance improvements in the harbor. These projects and this grant application is recommended by the Port and Harbor Commission and the Port and Harbor Improvement Committee. A resolution of support from the governing body is required as part of the grant application submittal. The matching funds will be raised through a revenue bond sale and Council has already approved fee increases so that the bonds can be repaid. Katie

- has a draft grant application completed and she is presently circulating it internally for comments. Let us know if Council members want to review it.
8. Library Grants: The Homer Public Library recently applied for a Tier I grant from the Rasmuson Foundation for collection enhancement in the amount of \$18,852. Also, the Friends of the Homer Public Library received a grant from the National Endowment for the Arts (NEA) for a program entitled “The Things They Carried” which is the title of an acclaimed book. The author will be visiting Homer and Ann Dixon can give you more details at the meeting.
 9. Capital Projects: Engineering and design is underway on portions of the Cruise Ship Grant project and the Council has awarded a contract for construction of new fenders at the Deep Water Dock. The approved street repaving project will take place this summer. The MOU is about complete with DOT/PF and we expect to start the design phase of the Spit Trail extension this summer. Contracts have been awarded for the Beluga Slough Trail improvements. Permits are now lined up for moving the entrance to Mariner Park and construction might occur this summer or fall. The Kachemak Drive Water and Sewer Project is essentially complete. A surveyor is working on the Nick Dudiak Fishing Lagoon to determine how much material needs to be removed. We expect to bid that work out this fall and the lagoon should be ready for new fish from ADF&G next summer. I am sure there are other projects I forgot to mention in my haste to complete this report. Please don’t hesitate to ask questions about these or any other capital projects.
 10. Land Use Planning: Council will recall that some time ago, it decided not to lease any land (new leases) or make any long term land use decisions on the 11 acre parcel that contains the Pier One Theatre and the campground; the parcel wedged between the fishing hole and the harbor. The reason for doing so was that there are numerous competing visions about the best use of the property and while it appears to be mostly vacant now, it is likely to be very valuable in the future. The City paid well over a million dollars to acquire the property and my understanding is that port and harbor enterprise funds were used. Council said it would not do anything there until a long term land use plan was prepared and it tasked the staff with preparing the plan. The planning department is beginning work on a plan and is currently gathering as much information as it can about the property. One of the things that has spurred us to get moving on this is a new proposal to establish a trailhead for the proposed new water trail there. I can talk a little more about that and I suspect that Dave Brann will be addressing you soon on this.
 11. Natural Gas: This agenda contains a lot of information and action items regarding natural gas. At the Committee of the Whole, Tom Klinkner will be there to discuss some of the more prominent topics regarding special assessment districts and financing for them. A memo from him is included in the packet. On the regular meeting agenda, there is second reading of the ordinance accepting the grant and appropriating the money, a resolution initiating a special assessment district which includes the entire town, and a resolution approving a construction contract with Enstar to build the main extension from Anchor Point to here.

ATTACHMENTS