

MANAGERS REPORT
December 10, 2012

TO: MAYOR HORNADAY / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Senior Gas Assessment Deferral Ordinance: At the last meeting the Council discussed the issue of whether senior deferrals should be available for the proposed natural gas special assessment district. I indicated that I would bring an ordinance forward to get the issue on the table and hopefully, get it resolved one way or the other before the end of the objection period. The ordinance in your packet provides that there will be no deferrals for SADs that are created to finance infrastructure that is not owned by the City. Council Member Burgess stated that he could support a senior deferral if interest accrued. There was discussion about whether a separate ordinance would be needed. Upon review, it is clear that the Code already provides for interest to accrue on deferred assessments. The Code also requires that applicants for a deferral provide the City with some security such as lien, deed of trust, and/or promissory note. Therefore, the City is reasonably assured of getting repaid eventually. A new ordinance is not required. If the Council wishes to permit deferrals, it might want to discuss the difference in income requirements for deferrals between the City and the Borough. The City uses HUD low income requirements. The Borough apparently uses the poverty level. There is a big difference here and a big difference in the number of applicants that might qualify for the deferral.
2. Eliminating Lot Lines / Combining Lots: The City has received several complaints recently from property owners who contend that they have not been given enough time to eliminate lot lines and combine lots so that they can avoid multiple assessments on the proposed Natural Gas SAD. The Code provides that lots lines must be eliminated before the public hearing scheduled in January. Getting plats approved can take a minimum of several months, even if the plat is a relatively simple one. According to the Planning Department, there are approximately six plats that are likely to be approved before the hearing date. There are others that won't make the deadline for a variety of reasons. At this point, pushing the hearing date back or amending the ordinance would be problematic and might create other undesirable outcomes. We can discuss this issue in more detail at the meeting if Council wishes. The staff natural gas planning group recommends no change for a variety of reasons including the fact that the SAD was initiated back in July and delays in the schedule could jeopardize construction this year. No matter where the cutoff is establish, some property owners will be upset and permitting too much of this drives the cost per lot up for everybody else.
3. Nick Dudiak Fishing Lagoon Dredging: The dredging work is complete at the Fishing Lagoon. It turns out that the quantity to be removed was about 30,000

cubic yards rather than the 32,000 cubic yards we estimated for the emergency ordinance. As a result, the cost was about \$31,000 less than the ordinance authorized. Therefore, this agenda contains a substitute for the permanent budget ordinance that contains the correct numbers.

4. Lobbyist Contract: At the last meeting, the Council postponed a resolution approving a new contract for the lobbyist and asked me to work with her to make some amendments. Linda has agreed that a one year contract is fine with her. She saw no need to include suggested language about an option for a second year. We also added more specific language about costs associated with her trips to Homer to consult with Council and staff. A substitute resolution and amended draft contract is included in the packet for your consideration.
5. Proposed Capital Budget Amendment: Attached to the budget you will see a proposed budget amendment from me that I hope the Council will adopt. You may recall from my budget message that one of my top priorities if additional funds could be identified was to upgrade the part time IT position to a full-time IT position. The original position description and justification contained in your draft budget is attached. This upgrade is vitally important and will have a big impact for all City departments. It will cost \$35,000 to make this a full time position and I believe it is money that will pay big dividends in terms of efficiency, productivity, and customer service. Regina reports that there is a surplus of approximately \$50,000 in the draft budget (revenues exceed expenditures) that can be used for this purpose. I ask for your support of this amendment.
6. Budget Amendments: At the last meeting, the Council adopted several budget amendments. Regina has incorporated those amendments into the draft budget and provided Council with the relevant pages of the budget. The Mayor also requested a spreadsheet showing the impacts to the budget if the proposed amendments and the proposed food tax ordinance brought forward by Council Member Zak were to be adopted. That information is attached.
7. Financing for Gas Service Lines: At the last meeting, Council Member Dolma mentioned the possibility of the City also providing financing for construction of service lines from the street to the structure. Since that time, Council members have been approached by at least one member of the public about that possibility. As you will note on the attached trip report, discussions with the Borough about a construction loan are currently underway. If the Council is at all interested in discussing this idea, now would be a good time to do so.

ATTACHMENTS

1. CM Trip Report / Borough
2. City Clerk Trip Report / Clerk's Conference
3. Deputy City Clerk Trip Report / Clerk's Conference
4. Letter from ADF&G re: Nick Dudiak Fishing Lagoon

5. Proposed Budget Amendment / City Manager
6. Pictures / Beluga Slough Trail
7. Pictures / Homer Airport Terminal Signage
8. Budget Amendment Spreadsheet
9. Memorandum from Public Works Director re: Project Manager Position / Hiring Recommendations
10. November/December Employee Anniversaries