

MANAGER'S REPORT
March 26, 2013

TO: MAYOR WYTHER / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Finance Director Recruitment: The deadline for applications has been extended until March 27 in an effort to recruit a larger pool of qualified candidates.
2. Loan Agreement / Natural Gas Special Assessment District: The Borough Assembly approved the loan agreement between the City and the Borough at its regular meeting on Tuesday, March 19th. I attended the meeting to provide testimony and answer questions. This was the final big step. Things will happen very quickly now. We will make the first loan drawn-down on March 25th and the proceeds will provide the first payment to Enstar, establish the project account for administration and direct services, and transfer money into the Bond Reserve Account. I will also sign the contract with Enstar and issue a Notice to Proceed.
3. Enstar Activities: Enstar is moving quickly on both the trunk line and the distribution system. On the trunk line, they plan to start digging and installing pipe in the next week or two. Construction will start at the intersection of the Old Sterling and New Sterling and proceed in two directions. Enstar had its pre-bid meeting for the Homer distribution system on Friday March 15th. The meeting was well attended with a good mix of large well known firms from Anchorage and local contractors. I am hopeful we will get very competitive bids and a good price for the property owners in the assessment district. Enstar has laid out a very aggressive construction schedule and they hope to have the contractors in the ground working by May. Enstar intends to break the bidding up and this year, contractors will only bid on Phase I, the downtown core. Enstar has opened an office in Homer and hired employees. You can go there now if you want to sign up for gas service. I would like to invite Enstar to a future meeting to update the community on everything that is going on.
4. Summer Construction: I wanted to discuss the construction schedule for the distribution system a little because I am not sure it has fully dawned on the community that this is happening, and it is happening in just a few weeks! The plan is to install all of the distribution lines in downtown streets this construction season. This has the potential to disrupt traffic and perhaps impact businesses during the summer season. It will have to be planned carefully to minimize impacts. Enstar is planning to provide regular community briefings on its website and on the radio regarding where crews are expected to be and what road closures and detours can be anticipated. More on all of that later. But, the basic message is get ready Homer!
5. Budget Ordinance / HSAD: This agenda contains an ordinance that appropriates funds and adopts a budget for the administration and direct services provided by the City to support the natural gas distribution system special assessment district.

This covers administrative services such as maintaining the assessment roll and handling the assessments and the financing. Administration fees are authorized by the adopted fee schedule. The budget also includes money to cover direct services like permitting, inspections, and utility locates in the field. The money for this will come from the bond sale proceeds and be repaid through assessment payments. The City's costs were included in the amount to be assessed to the property owners in the SAD.

6. Bond Application / Harbor Projects: As you know, the State Capital Budget includes \$4.2 Million for improvements at the Homer Harbor. This funding is provided under a program that requires a 50/50 match with local funds. The Council has determined that the best way to provide the local match is to sell revenue bonds and it has raised fees at the harbor to provide for the money needed to make the bond payments and maintain the required reserve. I am currently working on the bond application through the Alaska Municipal Bond Bank. The Bond Bank Board is scheduled to meet on May 2 to decide which projects are approved and to finalize the details of the sale. A bond sale is tentatively scheduled for mid-June with closing shortly thereafter. This is perfect timing because it coincides almost exactly with final approval of the capital budget. Work will be able to commence this fall.
7. TORA / Deep Water Dock: The City and the Department of Transportation are very close to finalizing a Transfer of Responsibility Agreement (TORA) regarding Deep Water Dock funding. The agreement would transfer federal funds to the City and make it responsible for all aspects of feasibility studies, preliminary conceptual design, and compliance with applicable laws. Recall that we have a federal earmark in the amount of \$ 2 Million and a state legislative grant in the amount of \$1 Million for feasibility studies related to expanding and strengthening the Deep Water Dock. I can go into a little more detail at the meeting.
8. Drill Rig Endeavor: The drill rig is scheduled to leave the Deep Water Dock on March 26 so that the City can install the new dock fenders. The work is being performed by Jay-Brandt and materials are already arriving. This is part of the work being funded by the \$ 6 Million cruise ship head tax grant.
9. Emergency Operations Plan: The working group formed to update the City's Emergency Operations Plan has been meeting on a regular basis and is making good progress.
10. New Software at Library: The Library Staff and the IT Department have been working to install and train staff on a new software system that will replace the old SIRSI system. This software will be cheaper to maintain and service and it is more tailored to the specific needs of the Homer library and its patrons. Hopefully, this software will provide better service to our customers and be more efficient and productive for the staff.
11. Animal Shelter Contract: The Animal Shelter Contract expires this year. We are preparing an RFP and expect to put this service out for bids early this summer.
12. Workshops Scheduled: The Council has requested a number of workshops which include training on I-Pads, Kachemak Drive Trail, The parcel next to the Fishing Hole, and the proposal from the Wooden Boat Society. Jo Johnson has managed

to schedule all of them in April. Two items are scheduled for special meetings at 4 PM on the 8th and 22nd. Others are scheduled for 5:15 on the 15th, an off week for Council meetings.