



City of Homer

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MANAGER'S REPORT

June 10, 2013

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

1. Port and Harbor Bond Sale. The port and harbor bonds were sold on Wall Street this week. The amortization schedule is attached for your information. We will sign all of the related paperwork when Holly is here on the 10th. The formal bond sale closing takes place in Seattle a little later this month.
2. Health Insurance Broker: We are now confirmed for a workshop with the City health insurance broker, Jeff Paxton for 5:15 PM on Thursday, June 27. Please mark your schedules.
3. Borough Health Insurance Initiative: At the last meeting, Council members asked questions about the status of the Borough health insurance discussions. I told Council that I would follow-up with a report at this meeting. Attached is a memorandum from the HR Director on this topic.
4. Dietzman v. City of Homer: This is the airport shooting case. After the jury verdict was in, the attorneys for the Plaintiffs filed a number of motions for a new trial. Oral arguments on these motions took place on Monday, June 3. After hearing oral argument from both sides, the judge ruled against all of the plaintiff motions. There will be no new trial. Appeal to a higher court is still possible. The judge has not yet ruled on attorney's fees.
5. Pier One Lot: At the last meeting, there was general discussion about subdividing this lot to separate marine industrial uses from recreational uses. There was also discussion about the idea that the Port and Harbor Enterprise Fund should be reimbursed if any of the land it purchased with its funds was to be used for recreational purposes. There was some question about exactly what purchased because lot lines have changed. Council requested more information. The Planning Department did a little more research on this topic. What they found after reviewing the files was that the Enterprise Fund purchased 16 acres for \$1.5 Million. The area purchased went beyond the current Tract 1-A and it included some, if not all of the current fishing hole location. The enterprise fund made an initial down payment of \$500,000 and financed the rest at 10% interest. There was discussion in the minutes about refinancing in order to save money for the Enterprise Fund. There is more research that could be done here but I believe the basic question has been answered. It is clear that the Enterprise Fund purchased the land that the Council is discussing subdividing and setting aside for recreational uses. Also, I am aware of a Resolution that the Council passed in 1983 or thereabouts which designates the fishing hole and Pier One building area for recreational uses. This resolution played a part in another land use discussion that occurred several years ago. I will try and locate that resolution before meeting time.
6. Water and Sewer Rates: The staff has been reviewing the recommendations of the task force to make sure we understand the philosophy, all of the assumptions, the origin of the numbers used, etc. We are testing the proposed model to see how it works with our current

software and whether the proposed rates do in fact generate the necessary revenue. John is presently working on inserting new updated numbers which would form the basis for a substitute resolution. In addition, we also looking at revising the fee schedule chart presentation so that it is easily understandable and preparing a comparison of the old rates versus the new so that customers can see how the proposed model would affect them. We plan on having drafts of this material available for the workshop. I would recommend putting final reading of the resolution off until June 24. I would also recommend that Council consider not implementing the new rates until January. The reasons for this can be discussed at the workshop.

ATTACHMENTS

1. May & June Employee Anniversaries
2. Bond Sale Amortization Schedule
3. Memorandum 13-082 from HR Director re: Borough Health Insurance Initiative
4. Memorandum 13-084 from Economic Development Coordinator re: Tidal Power Update