



City of Homer

www.cityofhomer-ak.gov

Office of the City Manager

491 East Pioneer Avenue
Homer, Alaska 99603

citymanager@cityofhomer-ak.gov

(p) 907-235-8121 x2222

(f) 907-235-3148

MANAGER'S REPORT

May 27, 2014

TO: MAYOR WYTHE / HOMER CITY COUNCIL

FROM: WALT WREDE

UPDATES / FOLLOW-UP

NOTE: Some of these items appeared in the last report. I have updated them and brought them back in case the Council wanted to discuss.

1. Construction Update: At the last meeting, there was a discussion about all of the work that is taking place around the harbor this spring. Local residents seem pleased with all of the activity and the results. I thought it might be a good idea to remind and/or inform the public that this is simply the tip of the iceberg. This work is nothing compared to what you will see this fall. There will be a lot of activity and we will really need patience and understanding from the public and harbor users. The City will be replacing Ramp 3 to make it ADA compliant. Ramp 7 will be removed and re-installed later. The City will also be replacing a number of older floats in the harbor and installing water and electric service to systems that don't presently have it. The Load and Launch ramp will be completely rebuilt and construction will begin on the new Port and Harbor building. Just to add to the fun, DOT/PF will be repaving the Spit Road and doing major repairs at the eroded area which threatens the road.
2. More Natural Gas Conversions: This meeting agenda contains a public hearing and second reading on an ordinance appropriating money for additional gas conversions at City facilities, including some of the older restrooms around the harbor. The Finance Department reports significant savings so far. Right now, the heating bill at City Hall is about 70% lower each month.
3. Traffic Calming / Old Town: On Tuesday, May 20, City staff had a second meeting with Old Town Neighborhood representatives. Chief Robl, Chief Painter, Julie Engebretsen, and I were in attendance. The purpose of the meeting was to follow-up on a set of requests that the neighborhood presented regarding short term measures that could be taken to reduce speeding and reckless driving. The group addressed the Planning Commission also, as planned. Attached for your information is a correspondence from the Association that contains a specific, updated request for assistance. Old Town residents are hoping that the City could provide some funding and assistance this summer and use the neighborhood as a traffic calming pilot project. At the time this

report was written, the staff was working to put together some cost estimates for the improvements.

4. Ramp 7: The Seldovia Village Tribe has decided to rebuild the damaged float and reinstall Ramp 7 this summer. They have agreed to rebuild the float and install the ramp according to the engineer's recommendations, which will cost more money than the original plan, but hopefully, increase the safety factor. At the time this report was written, the City and SVT were working out the details in writing that addressed project scope, work windows, safety, inspections, and so on.
5. Pioneer Ave Upgrades: DOT/PF has issued STIP Amendment 9. This amendment calls for repaving and other upgrades for Pioneer Avenue along with Lake Street. This is a good opportunity for the public to have some input on Pioneer Avenue improvements. DOT/PF staff planners are coming down here on May 23 to discuss this with us. At that time we will learn more about the design and public participation processes.
6. Proposed Bed Tax: A Council packet several months ago contained a flyer produced by the Kenai Peninsula Tourism Marketing Council which described its Borough-wide bed tax proposal. Since that time, I have had several conversations with the Executive Director of the organization and I think I now have a better understanding of the intent behind the proposal, how the tax would work, and what it could be used for. There are definitely advantages and disadvantages to Homer associated with the proposal and I would be happy to provide my thoughts on it if you wish. As I understand it, the Homer Chamber Board is currently neutral on the proposal. Since this proposal may end up on the ballot at some point, I invited the Director to come down and address the Council as a Visitor at a future meeting. She said she would like to do so.
7. Lease Update: Leases have now been negotiated and executed with the new owners of the Happy Face Restaurant, Snug Harbor Seafoods, and ACS.
8. i-PADs: Council members requested information about the i-Pads in terms of how much money they were saving and what the benefits are in terms of efficiency and productivity (That also translates into savings). Attached is a report from the Finance Director on the subject.
9. Andrea Petersen Moving On: By now, most of you probably know that HR Director Andrea Petersen has accepted a job with a big firm based in Reno, Nevada. We are very sorry to see her go but we wish her the best of luck in her new endeavor. I believe that Andrea has done an excellent job for the City during the time she was here. She was dealt a bad hand with the health insurance plan because she started at a time it was obvious that serious changes were necessary. She handled what was, and will continue to be, a difficult situation very professionally. Andrea made many important contributions and helped to move the City forward in important areas, especially employee wellness and training on safety, supervisory skills, team building, communication, and job related expectations. Andrea was a real advocate for the employees. When employees leave the City, we conduct an exit interview and ask questions regarding the employee's work experience. We also ask for comments and suggestions about how we might improve the work environment. Some of what Andrea has to say is attached. I have included it because I think her comments are important for the Council to hear going forward.
10. The Projected Surplus: I have to give you some bad news here. Recall that several months ago, we projected that the General Fund might have a surplus of around \$300,000 at the end of 2013. By surplus, we meant that we thought revenues might exceed expenditures

by that amount. I hope you also remember that we said that the surplus was subject to the audit and we would not know definitively until then. The auditors have pretty much completed their work and Council is scheduled to hear a presentation from them on June 9. I wanted you to know in advance that the auditors made several "adjustments" which have basically wiped out the projected surplus. There were two adjustments which affected the surplus. First, the property tax revenue that came in from the oil drilling rig Endeavor was not transferred to the Permanent Fund as it was supposed to be. That transfer has been made and it wiped out about half of the surplus. Second, you will recall that the City received a big increase in the jail contract. The funds were for FY 2014. The State made a payment early, back in December of 2013. The Finance Department booked it as revenue in 2013. The Auditors said no, it should all be booked as revenue in 2014. This wiped out the rest of the projected surplus. So, I know there were a number of ideas people had about how the surplus should be spent. I personally was looking forward to putting some money into depreciation and hopefully, providing some relief to the employees. Council scheduled a workshop at 4 PM on June 9th to talk about the surplus and how it should be spent. That is probably not necessary now and it could be cancelled.

11. Library Aide / Temporary Part Time: Things are extremely busy at the library now that the summer months have arrived. The Library Director is having a difficult time with staffing levels, scheduling, coverage, and meeting the service needs of library patrons. The Port and Harbor and the Parks Division at Public Works both add seasonal employees to meet expanded demand in the summer. I believe this makes sense at the library as well. I have authorized Ann to hire a temporary/seasonal, part time, library aide for the months of June, July, and August. This will cost about \$7,000. Ann believes, and the Finance Department has confirmed that she has enough money to do this in her existing budget. It would simply mean reallocating funds from her casual temporary employee line item. In other words, instead of relying so much on a group of casual employees that can come in when needed if they are available, she will use some of the funds for a full time position for three months. This move will cover this year. If a permanent part time seasonal position is created, that will have to be done by Council and the position authorization would be included in next year's budget.
12. Regular Part Time Receptionist / Public Works: Public Works has only one administrative assistant type position. That is very slim considering the number of employees, the scope of services, the number of projects, and the size of the budget. PW is simply swamped right now with lots of projects, activities, and public contact. PW used to have two administrative assistant type positions but one has been left vacant due to budget cuts several years ago. There is no back-up for the one person we have if she is ill or takes vacation. She often must leave her post to perform her duties. There is no one to cross train with her because everyone else is fully tasked. There are many times when there is no one at the reception desk and the Director or the Superintendent are answering the phone or talking to walk-in customers. Public Works probably received more contact with the public than any other department with the possible exception of the Port and Harbor. The solution proposed is a regular, part-time, receptionist position. This would cost about \$30,000. I wanted to give you a heads up that I will be proposing this either at mid-year or as part of next year's budget. PW has other pressing needs as well, including help in the building maintenance/custodial division.

13. Beluga Slough Trail: As you know, there was a recent celebration surrounding the completion of the Beluga Slough Trail improvements and installation of new interpretative signs. Many people, including the Mayor, noticed that there was still a section of the trail that was not improved and contained the old plastic material that has been problematic. That section was not fixed in part because there was not enough funding and also because it was not on City land or on a City trail easement. It was in better shape than the rest of the trail and was not as high a priority. Last week Carey was notified that the U.S. Fish and Wildlife Service has located the money to replace this part of the trail. The estimated cost is \$100,000. At the time this was written, we were seeking more details in order to provide you with a recommendation. Basically, it sounds like USFWS would like to provide the City a grant and have the City handle all of the construction. They did ask if the City would be able to provide a match. At this point, we are suggesting that the City match will be in-kind in the form of financial and project management.
14. Ham Operators: Nick Poolos has completed training to be a ham radio operator, extra class privileges. Tom Sulczynski has completed training at a lesser level. This is valuable to the City. Having two IT staff members that are able to talk on and operate ham radios could be vital in emergencies when cell phone towers, phones, and other forms of communication might be down.

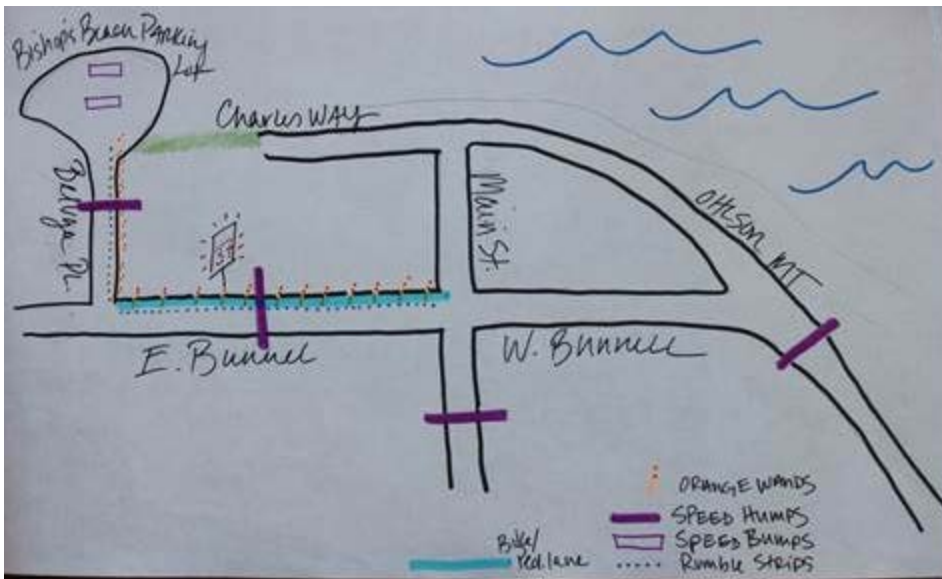
ATTACHMENTS

1. Old Town Neighborhood Association Correspondence
2. Memorandum from Finance Director re: I-Pads
3. Exit Interview / Andrea Petersen

From: [Walt Wrede](#)
To: [Jo Johnson](#)
Subject: FW: Revised letter from Old Town neighbors and a visual
Date: Wednesday, May 21, 2014 11:48:22 AM

Attachment to Managers Report

From: Brianna Allen [mailto:brianna@bunnellarts.org]
Sent: Tuesday, May 20, 2014 4:43 PM
To: Walt Wrede
Cc: Asia Freeman
Subject: Revised letter from Old Town neighbors and a visual



Dear Walt, Carey, Mark and Bob,

Thank you for the support you've provided to improve Old Town walkability with the widened paved shoulder for pedestrians, crosswalk striping and increased signage. Old Town Neighbors met two weeks ago to evaluate how these improvements are working. We also discussed our immediate priorities for improving neighborhood safety for pedestrians this summer and subsequently expressed them to Planning and Zoning. We met with the full support of that committee upon sharing our concerns.

As the lane striping wore off last winter, the widened road is enticing speeding traffic. There have been several near misses with people jumping into the ditch to avoid speeding vehicles. We are convinced someone could get hit any day. We are more than willing to pledge ourselves to Old Town safety. Here are our priorities:

(1) Install speed humps and bumps this summer. Old Town residents will put up with the noise of speed bumps for the added safety. Four *speed humps* are needed, one each on Main approaching Bunnell, one on Ohlson at the corner of the Elks and condominiums, on East Bunnell, one on Beluga Place approaching the beach. We recognize the challenges the City faces in installing speed humps as both a financial commitment and a policy issue. Removable speed bumps are needed at the Bishop's Beach parking lot as the parking lot is that last surface people drive on before they hit the untamed beach highway.

(2) Install rumble strips, (3) a solar powered speed awareness sign and (4) delineating

orange wands at the inner edge of the bike lane to clearly inform users and demarcate the existing pedestrian lane. The *suggested* speed limit signs are not working to slow traffic. In light of this and the existing pressures on Homer's police force, we want physical and semi permanent traffic calming incentives that are physical objects, not dependent on police enforcement. We noticed what a tremendous difference it made last week to have the speed trailer in the neighborhood last week and are grateful for the temporary impact.

We'd like you to consider Old Town Neighborhood as a "test" site for traffic calming options that concern other neighborhoods. After all, Bunnell to Beluga is not a road that dead ends at Bishop's Beach. It is the entrance to an historic beach "highway" and drivers are just getting revved up as they approach it.

Thank you for your time and attention and all the hard work you've put into supporting our neighborhood efforts!

Sincerely,
Old Town Neighbors
Asia Freeman,
Brianna Allen

Brianna M. Allen
Old Town Development Coordinator
Bunnell Street Arts Center

Cost- Benefit Analysis – iPad

Costs:

Number of iPad purchased: 20

1. Total cost: \$13,706
2. Average cost per unit: \$685

Benefits:

1. Benefit (per year): Using less paper (City Council Packet Production & Distribution), \$1214 in savings

Printing Cost: per page	\$ 0.0061				
Paper Cost: Per page	\$ 0.0070				
<u>Delivery Method</u>	<u>Traditional Delivery</u>		<u>Current: Combined Delivery</u>		<u>Savings</u>
	e-copy	Paper copy	e-copy (iPad)	Paper Copy	
# of packets per meeting -Regular	0	26	12	14	12
# of packets per meeting -Supplemental	0	35	8	27	8
# of pages printed per meeting (Avg)	0	9,512	N/A	5,300	4,212
meetings)	0	209,261	N/A	116,601	92,660
Per year Cost & Savings		\$ 2,741	N/A	\$ 1,527	\$ 1,214

2. Benefit: Labor cost (City Clerk’s time), negligible
 - a. Estimated paper production hours decreased by 4 – 6 units per month due to decreased volume
 - b. Estimated electronic file compilation hours increase by 6 hours per month.
3. IT (labor, software, and compliance): Year 1 saving **\$2380**, and \$1090 thereafter.
4. Benefits: Other (not quantified in monetary terms)
 - a. Greatly improved file accessibility for all users, especially the Project Manager’s ability to manage City projects
 - b. File (pdf) is searchable, Google index capable and ADA compliant
 - c. Increased email communication capabilities and compliance
 - d. Possible time savings due the increased efficiency stated above.



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Memorandum

TO: MAYOR WYTHE AND COUNCIL
THROUGH: WALT WREDE
FROM: ANDREA PETERSEN
DATE: May 21, 2014
SUBJECT: Exit Interview

Opening

As many of you are aware, I have accepted a position in the corporate office of a large corporation located in Reno, Nevada and have submitted my resignation effective June 3. This has been a bitter sweet decision for me and my family since Homer has been our home for 10 years; however, it is time I spread my wings and get out of my comfort zone. I wanted to take moment before my departure to say thank you to City Manager, Walt Wrede, for giving me the opportunity to work with some amazing and very dedicated people. The City of Homer employees take pride in their work and it shows throughout the City. I truly appreciate their enthusiasm and hard work!

The City infrastructure continues to grow through projects and expansions; however a workforce strategy is not being evaluated which is resulting in overworked employees. Over time, this will cause increased turnover. Below is my workforce strategy recommendation for Council to consider.

Workforce Strategic Plan

Workforce planning is grounded in its contribution to organizational performance. It will provide Council and management with a way to align the workforce with the business plan, and address current and future workforce issues. Workforce planning assists with the following:

- Project and respond to organization-wide staffing needs.
- Influence development of job classes.
- Deploy staff and organize work.
- Manage organizational culture.
- Anticipate and manage risk.

Incorporating the workforce strategic plan within the overall strategic plan is extremely beneficial and highly recommended. Strategic business plans create direction and a foundation for allocating resources. The goals, objectives, strategies, and performance measures within the business plan should highlight the key workforce priorities. Workforce planning requires leadership, commitment, and cooperation. While workforce planning is chiefly a responsibility of management, several business units contribute, including the City Council, City Manager, Finance, and Personnel. The following should be included in the workforce strategic plan.

FTE Analysis

The definition of FTE (full time equivalent) is the number of working hours that represents one full-time employee during a fixed time period, such as one month or one year. FTE simplifies work measurement by converting work load hours into the number of people required to complete that work. FTE analysis is the methodical analysis of current work activities with related time and cost measures. This helps managers understand the root causes and driving forces of workload levels, organizational performance, and productivity improvement opportunities. There are several departments that have not been able to add additional staff due to budget constraints. Conducting an FTE analysis will assist the Council with the workforce strategic plan.

Establishing a Compensation Philosophy

A compensation philosophy is an organization's commitment to how it values employees. A consistent compensation philosophy would provide the City and the employees a frame of reference when budgeting wages and benefits. The goal of a compensation philosophy is to attract, retain, and motivate employees. For companies in the private sector, this usually requires a competitive pay philosophy. For companies in the public sector, this means a well-rounded philosophy, with a focus on benefits and work life. Establishing a compensation philosophy will also assist Council with other budgetary allocations. Total compensation can be challenging for many organizations. The biggest challenge is to have a good balance of offered benefits to the actual base compensation. Although offering excellent benefits is a smart recruitment strategy, benefits do not always allow employees to financially keep up with inflation. Currently, there are approximately 13 employees who are at the top of the wage scale and have not received a step-increase annually based on their performance for several years, yet these employees are some of the City's top performers. In the next year and half, another 11 employees will hit the top of the wage scale and will no longer be eligible for a step-increase based on their performance. This means that 23% of regular full-time employees will no longer receive a step-increase based on their performance yet the City still expects them to perform at a high level.

Closing

Once again, I am very thankful for the opportunity to work for the City of Homer. There have been some great times and some challenging ones as well! I would not have been a viable candidate for my new position without the experiences and knowledge I have gained here. Thank you again and please let me know if you have any questions or concerns regarding my recommendations.