



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

Memorandum

TO: MAYOR CASTNER AND HOMER CITY COUNCIL
FROM: KATIE KOESTER, CITY MANAGER
DATE: JANUARY 23, 2019
SUBJECT: CITY MANAGER REPORT

Alaska Clean Water Actions (ACWA) Grant

I am happy to announce that the Department of Environmental Conservation recently awarded the City an Alaska Clean Water Actions (ACWA) stewardship grant. This 60-40 matching grant will help fund the **City's** development of the Stormwater Master Plan, a longtime prioritized project in the CIP. The project will produce baseline stormwater runoff information and identify low-impact development (or green infrastructure) opportunities for stormwater collection and treatment. Local planners, engineers, and the public will use this information to develop the Master Plan and highlight methods that can minimize the ecological, economic, and community impacts of stormwater runoff. The grant will also help construct green infrastructure features at our new Homer police station. These features will directly store and divert stormwater that might otherwise be left untreated and provide the City with an opportunity to publicly highlight the value of low-impact development. This demonstration project compliments mapping and runoff assessment activities and is foundational to community-wide planning and stormwater policy development. Many thanks to Councilmember Lord who was able to lend her water quality expertise to this project.

New Police Station Design Plan Open House at Cowles Chambers

The City will be hosting an open house on Monday, February 4th, to share the new police station 35% design plan with the public. We encourage community members to stop by Cowles Chambers anytime between 4:30 pm and 6:00 pm to review the schematic drawings, siding options, and carpet samples proposed for the building. Project Manager Pat McNary and City staff will be on hand to answer questions and receive feedback.

Budget Work Ongoing

Finance Director Walton and I have been meeting with Mayor Castner to work on **the budget's** fiscal issues while also making improvements to the **City's** budget process. This includes developing a fund balance policy, depreciation reserves policy, cash flow analysis, fund consolidation, and budget forecasting. We will keep Council apprised of progress as we work towards a more streamlined budget process for 2020. The final 2019 budget will be posted on the website by Tuesday, January 29th. Please let me know if you would like a printed copy.

January 22nd Alcohol and Marijuana Control Office (AMCO) Meeting

Councilmember Stroozas organized a meeting between local businesses and Jedidiah Smith, the Local Government Specialist for the Alcohol and Marijuana Control Office. The meeting was held to discuss the comprehensive overhaul of Title 4 (**what governs Alaska's alcohol regulations**) as proposed by Senator **Micciche's legislation**, Senate Bill 76. One element of Senate Bill 76 that has the ability to impact Homer businesses is the proposed changes to public convenience licenses. As defined in Title 4, a public convenience license allows a restaurant to serve beer and wine beyond the population limits if the restaurant owners go through the process of collecting signatures and petitioning the Alcohol Control Board. The City of Homer has more per capita public convenience licenses than most towns because of the large non-resident population we serve. The most recent version of Senate Bill 76 would replace the current public convenience license with a different license type (already known as REPL in Title 4), which would eliminate the onerous process of collecting the signatures needed to apply for a beer and wine license. Under Senate Bill 76, the public convenience license would be converted to an REPL and the number of REPLs would be capped at the combined number of current public convenience and REPL licenses. There would be a mechanism, however, for a local municipality to petition the Alcohol Control Board for more REPLs. Protecting local control is something many municipalities are advocating for. Senate Bill 76 did not pass during the last legislative session but Senator Micciche has indicated he is willing to sponsor a new version of the bill, which will likely look substantially similar to Senate Bill 76. The new version of the bill can be found here: <http://www.legis.state.ak.us/PDF/30/Bills/SB0076F.PDF>. Senate Bill 76 is a comprehensive reform bill that has many other elements capable of impacting our economy, business sector, and public safety. The City of Homer has been following this issue as the restaurant and beverage industry is a key component of our economic base; brings visitors to Homer; and enhances the quality of life for our year-round residents. I will be sure to update Council on Senator **Micciche's bill as it moves through the legislative session.**

January 16th KBBI Coffee Table Discussion Regarding AK-LNG

On January 16th at the KBBI studio, Tim Dillion from the Kenai Peninsula Economic Development District (KPEDD), Frank Richards from Alaska Gasline Development Corporation, and I discussed the potential impacts AK-LNG could have on the Homer area. With 12,000 temporary workers during a construction phase estimated to last up to 5 years and 1,000 full time employees, we could potentially see an increase **in Homer's population along with a demand for skilled labor. KPEDD is currently working on a training program** to recruit Peninsula youth for this project. With fifteen to twenty AK-LNG ships a month in the inlet, support vessels for the project such as export tugs and marine pilot boats will want to homeport in Homer, furthering the need for the large vessel harbor expansion project to be listed as a statewide priority. You can listen to the interview here: <https://www.kbbi.org/post/coffee-table-january-16-2018>.

Seawall and the Ocean Drive Loop Special Service District (ODLSSD)

In the November 28th **City Manager's Report**, I brought up the need to have some discussion regarding Seawall maintenance and repairs. Over the last few years, winter storms have reduced the Seawall maintenance funding balance to below \$100,000. I have sent the attached letter to property owners requesting a neighborhood meeting to discuss the future of the Seawall. Two potential mitigation measures to extend the life of this 16 year old piece of infrastructure include increasing funding for annual preventative maintenance (rather than just repairs) and a potential major capital project to reinforce the toe of the wall where the most damage occurs. Any measure will require Council action and collaboration between the property owners and the City. To that end, I encourage any of you who are available to make it to the neighborhood meeting scheduled for Thursday, February 28th, at 5:30pm in Council Chambers.

Enc:

Alaska Clean Water Actions Grant Award Letter

January 23rd Letter to Ocean Drive Loop Property Owners



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Environmental
Conservation**

DIVISION OF WATER
Alaska Clean Water Actions Program

PO Box 111800
Juneau, Alaska 99811
Main: 907-465-5180

January 17, 2019

Carey Meyer, Public Works Director
City of Homer
491 E. Pioneer Avenue
Homer, AK 99603

Dear Ms. Meyer,

I would like to congratulate the City of Homer on being selected to receive an Alaska Clean Water Actions (ACWA) Grant from the Department of Environmental Conservation (DEC) for the "Low-Impact Development Planning for the City of Homer" project. The maximum approved funding level for your project is \$59,785 for the 2019-21 state fiscal year grant cycle, dependent upon grant agreement negotiations. This award is contingent on funds being available from the Environmental Protection Agency and Legislative authorization. ACWA ensures that available funding resources are focused on the waters of greatest need for protection, stewardship, and efforts to clean up waters with pollution problems.

Laura Eldred will be the interim project manager assigned to your grant and will work with you in completing the project work plan for the grant agreement. Laura will assist you in assuring that the deliverable products for your project are well defined and that a specific implementation schedule is evident in your work plan. Changes to your work plan and budget from the grant proposal may be necessary, particularly if the award for your project was changed from the requested amount.

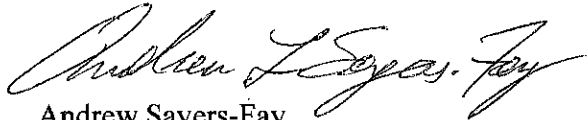
Additionally, please note that the new ACWA Grant cycle spans over three state fiscal years. This new cycle runs March 1, 2019 to February 28, 2021. The reporting requirements have significantly changed, with several date and funding changes that will be developed into your work plan.

Please call Laura at (907) 376-1855 at your earliest convenience to help make the necessary changes to your work plan and ensure the successful start-up of your project. Approval of a current Quality Assurance Project Plan is required prior to collection of any monitoring data, but this can occur after your work plan is approved and the grant agreement is fully executed.

This notification of project selection does not imply approval of activities or specific costs shown in your proposal. Any cost incurred prior to the executed grant agreement will be your responsibility and will not be reimbursed.

I want to thank you for your commitment to protecting water quality in Alaska. Should you have any further questions, please feel free to contact your project manager.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Sayers-Fay". The signature is written in black ink and is positioned above the printed name and title.

Andrew Sayers-Fay
Director



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

January 23rd, 2019

Dear Ocean Drive Loop Service Area (ODLSA) Property Owners,

The past two years have been tough on the Seawall.

Some major repairs in 2017 included using truckloads of cobble to fill in eroded areas, replacing broken off (or completely missing) horizontal and vertical face timber and steel, and adding reinforcement to the wall's exposed "toe."

2018 shares a similar story. The toe of the wall was excavated so additional timber could be added as reinforcement, boulders were arranged to protect vulnerable areas, cracks were reinforced with timber, exposed fiberglass sheet piling at the toe was covered, and fill material was replaced.

Seawall maintenance expenses for 2017 and 2018 combined totaled \$147,510, leaving only \$95,409 remaining in the fund used to repair the seawall. The revenue for this fund has been collected from ODLSA property owners and the City. If any powerful storms cause damage like we've seen these last two years, this fund could easily be depleted. Once depleted, it is very likely emergency repairs could not happen.

The trend has been to spend money when seawall maintenance is already needed or when there is an emergency. The wall is showing its age (16 years old), which is increasing the amount of needed repairs. I am concerned the fund used to pay for Seawall maintenance is at an unsustainable level.

I would like to host a neighborhood meeting with ODLSA property owners on Thursday, February 28th at 5:30 P.M. in Council Chambers at City Hall. At this meeting, I will discuss options including preventative Seawall maintenance and reinforcing the Seawall's toe. A written summary of the meeting will be mailed out to all property owners in case you are unable to attend. In the meantime, I have attached a table listing all revenue and expenditures incurred since the fund was formed.

Please confirm with my Executive Assistant Rachel Friedlander if you can or cannot attend. Rachel's direct line is (907) 435-3102 and her email is RFriedlander@ci.homer.ak.us.

I look forward to seeing you Thursday, February 28th at 5:30 PM.

Best,

Katie Koester
City Manager

Seawall Maintenance Expenditures

	2012	2013	2014	2015	2016	2017	2018*	Total
Seawall Maintenance Expenditures	\$38,292	\$0	\$0	\$3,126	\$30,328	\$102,916	\$44,594	\$219,256

Seawall Revenue ("Seawall Maintenance Fund")

156-0369	2012	2013	2014	2015	2016	2017	2018*	Total
Seawall Reserve Account (City)	\$70,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$130,000

808-0375	2012	2013	2014	2015	2016	2017	2018*	Total
Mil rate deposits (ODLSA private property owners)	\$19,167	\$22,078	\$35,176	\$24,802	\$24,759	\$30,140	\$28,543	\$184,665

Remaining Balance for Future Seawall Maintenance

	2012	2013	2014	2015	2016	2017	2018*	Total
Combined Seawall Revenue	\$89,167	\$32,078	\$45,176	\$34,802	\$34,759	\$40,140	\$38,543	\$314,665
Seawall Maintenance Expenditures	\$38,292	\$0	\$0	\$3,126	\$30,328	\$102,916	\$44,594	\$219,256

Remaining Balance: \$95,409

Please note: The above 2018 figures will be finalized once the City audit is completed by September 2019.