



City of Homer

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Memorandum 22-104

TO: Rob Dumouchel, City Manager
FROM: Janette Keiser, PE, Director of Public Works
DATE: May 31, 2022
SUBJECT: Ocean Drive Loop Special Service District

Issue: The purpose of this Memorandum is to recommend a maintenance budget and mil rate for the Ocean Drive Loop Special Service District.

Background:

The armor rock revetment project was completed on March 28, 2021. Since then, very little maintenance has been required. In late April, 2021, East Road Services did some maintenance work – picking up rocks that had slid off the revetment and tucking them back in place. This work cost under \$2,000. We anticipate this kind of minimal maintenance work will be required from time to time, possibly annually.

Before the armor rock project was constructed, we used the Special Service District account to buy some shot rock and dredge spoils to fill sinkholes that had formed behind the wall. This work cost \$29,073 for labor and \$34,300 for materials, for a total of \$63,373. We do not believe this level of effort will be needed anymore. A small contingency of \$5,000 a year should cover minor issues at the top of the wall.

The annual maintenance requirements are projected to be:

• Inspections – twice/year at \$500 each inspection	\$1,000
• Replacing rock on revetment	\$2,000
• Top of wall replenishment	<u>\$5,000</u>
Total Estimated Annual Maintenance Costs	\$9,000

There is currently \$40,000 in the Special Service District Account, enough to cover over 4 years of maintenance costs at the current estimated rate. One mil generates just over \$3,200, according to the Kenai Borough, which is more than enough to keep up with inflation. We do not need to collect more, at this time. If, after a couple of years, the situation changes and we're spending more on maintenance than what we've projected, we can adjust the rate accordingly.

Recommendation: We recommend a new assessment of 1 mil.