



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: February 5, 2020
SUBJECT: February 10th City Manager Report

FY21 State of Alaska Community Assistance Program (CAP) Estimate, Allocating FY 20 Funds

The State Division of Community and Regional Affairs (DCRA) has announced CAP payment amounts for FY21. Based on an estimated population of 5,478, Homer will receive a CAP amount totaling \$75, 828.92. The City has up until April 1st to contest its population estimate by initiating a Head Count Census Method or Housing Unit Method along with a resolution from Council proposing a different amount.

The City's application for FY21 must identify where the CAP funds will be allocated and is due no later than June 1, 2020. In 2019, the City indicated transferring FY20 CAP funds into the the Old Middle School (HERC) depreciation reserve (renamed Capital Asset and Repair Maintenance Allowance, or CARMA). There is an ordinance before you today that officially executes that recommendation. My recommendation for state fiscal year '21 would be to leave the intended designation for the funds the same unless council indicates otherwise. The funds will still need to be officially accepted by Council when received. As a matter of practice, the City does not factor the CAP into our budget in case the State elects not to fund the program.

Travel to AML Legislative Fly-in

I will be joining Councilmembers Lord and Smith in Juneau the week of February 17th to attend Alaska Municipal League meetings and meet with state legislators and officials. I have attached the agenda, complete with a couple meeting topic suggestions, and welcome any comments, recommendations or items to highlight from members.

Airport Terminal Roof Replacement

The Council established a \$150,000 budget in the FY2020 Capital Budget to replace the roof at the Homer Airport. The project write-up approved did not designate an anticipated life expectancy for the new roof, however it noted that the existing roof is 28 years old and at end of life. Council awarded the project at the January 27th Council meeting to Homer Roofing, LLC in the amount of \$93,400.

The contract calls for shingles with a 30 year warranty. However, during the bidding process, several contractors suggested that we should consider upgrading the shingle requirement to a 50 year warranty product. The cost to increase the single product to a 50 year warranty would be \$7,330. To increase from a 110 mph to 130 mph wind warranty would cost another 2,000. Public Works believes this is a small cost for a

significant public benefit and intends to use available budget to issue a change order in the amount of \$9,330 to provide a 130 mph wind, 50 year warranty on the shingles for this project.

According to Procurement Policy 1.3, “the City may, by written order, make change within the general scope of a contract...but shall not exceed any contingency fund established for a particular project.” I consider this change within the scope of the original project and an acceptable change order as long as Council is notified of the change.

Water Transmission Replacement Grant Submitted

Staff recently completed an application to the Alaska Division of Homeland Security and Emergency Management for hazard mitigation grant funds to replace the City’s 45-year old cast iron Raw Water Transmission Mains. These mains are critical water supply infrastructure. Due to their age and material, they are vulnerable to damage or a catastrophic break during an earthquake. The proposed \$1.9M project would protect the City’s water supply by installing seismically-resistant High Density Polyethylene (HDPE) pipes. If funded, the project would proceed in two phases. The first would develop design specifications. The second phase, construction, would proceed once FEMA approves the design. Funding for the project would be 75% Federal disaster funding; 25% State funding. Staff will continue to work with the State and FEMA as the application goes through a lengthy review process with award notification not projected until summer 2021. The federal application process has been lengthy and involved; Special Projects and Communications Coordinator/grant writer Jenny Carroll, Public Works Director Meyer and Water and Sewer Superintendent Cook deserve kudos for putting in the hard work to be able to address a serious infrastructure concern in the community.

Police Station Budget Summary

At the January 27th Council meeting, Public Works Director Meyer presented a report on the progress of the Police Station, including change orders made to date. Attached is a summary of all the costs outside the construction contract to give Council the complete picture of the \$7.5 million police station budget. Both Public Works Director Meyer and Project Manager McNary will be available at the Committee of the Whole to answer any questions related to the budget or project.

Enc:

Agenda for Council Travel to Juneau
Summary of all Anticipated Costs – Outside Cornerstone’s GC/CM Contract
Council-Initiated Projects Table