



Homer City Hall

491 E. Pioneer Avenue

Homer, Alaska 99603

www.cityofhomer-ak.gov

City of Homer Agenda

City Council Worksession

Monday, June 08, 2020 at 4:00 PM

City Hall Cowles Council Chambers via Zoom Webinar

Webinar ID: 965 8631 4135 Password: 792566

Dial 1-669-900- 6833 or 1-253-215 8782; (Toll Free) 888-788-0099 or 877- 853-5247

CALL TO ORDER, 4:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

DISCUSSION TOPIC(S)

a. CARES Act - Nils Andreassen, Executive Director, Alaska Municipal League

b. Capital Projects Information Re: Resolution 20-050

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT NO LATER THAN 4:50 P.M.

Next Regular Meeting is Monday, June 22, 2020 at 6:00 p.m., Worksession 4:00 p.m.

Committee of the Whole at 5:00 p.m. All meetings scheduled to be held virtually from the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



City of Homer

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Finance Department

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Homer, Alaska 99603

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Memorandum

TO: Mayor Castner and Homer City Council
THROUGH: Marvin Yoder, Interim City Manager
FROM: Elizabeth Walton, Finance Director
DATE: June 3, 2020
SUBJECT: 2019 Audit and Timeline

The purpose of this memo is to provide an update on the 2019 audit and the timeline for completion.

Audit Status:

Finance team members are actively working on closing the books for final review prior to submitting our information to our auditors, BDO. There are several closing entries that need to take place and a thorough review is still necessary of 2019 financial activity.

As in past years, we will continue our working relationship with Porter & Allison for the 2019 audit. Due to demands of COVID and CARES related tasks on the Finance department, we will most likely be utilizing Porter & Allison in a larger capacity than in prior years. We will come to council with detailed estimations on the costs associated with this, but at this time we are expecting to remain within our budgetary constraints.

Audit Timeline:

The Single Audit submission deadline is Sept 30th, but for FY19 the City of Homer will not be subject to Single Audit standards and, therefore the technical deadline for completion is December 31, 2020. BDO is currently proposing a completion date of December 31.

As you may remember, BDO proposed a December deadline for the FY18 Audit but the Finance Department pushed back encouraging a September 30 deadline.

We have a teleconference scheduled with BDO prior to the council meeting on Monday regarding the timeline expectations for the FY19 audit. I will provide a memo in your supplemental packet summarizing this conversation.

City of Homer
2020/21 Budget Modeling
June 8, 2020 Worksession

FUND 100				
GENERAL FUND COMBINED STATEMENT				
	Adopted	Projected	Adopted	Projected
	12/31/20	12/31/20	12/31/21	12/31/21
	Budget	Budget	Budget	Budget
REVENUE:				
Property Taxes	3,475,775	3,128,197	3,535,212	2,828,169
Sales & Use Taxes	5,508,638	4,682,342	5,616,808	3,370,085
Permits & Licenses	41,526	41,526	45,342	45,342
Fines & Forfeitures	20,762	20,762	22,643	22,643
Use of Money & Property	43,662	43,662	74,720	74,720
Revenues from Other Agencies	562,800	562,800	562,800	562,800
<i>PERS and Shared Revenue</i>	-	-	-	-
Charges for Services	594,610	594,610	580,537	580,537
Other Revenue	-	-	-	-
Airport	163,455	163,455	191,240	191,240
Total General Fund Revenue	10,411,226	9,237,353	10,629,301	7,675,536
Total Transfer from other Funds	2,048,282	2,048,282	2,245,049	2,245,049
Total Revenues & Transfers (W/O PERS Relief)	12,459,508	11,285,634	12,874,350	9,920,584
EXPENDITURES:				
Personnel (W/O PERS Relief)	8,217,958	8,217,958	8,647,865	8,647,865
Operations & Maintenance	3,636,760	3,636,760	3,642,028	3,642,028
Debt Service	-	-	-	-
Total Operating Expenditures	11,854,719	11,854,719	12,289,893	12,289,893
Operating Surplus/Deficit before Transfers	604,789	(569,084)	584,457	(2,369,309)
Operating Transfers To:				
Police Fleet Reserve	0	0	23,456	23,456
PW Fleet Reserve	196,500	196,500	94,500	94,500
Fire Fleet Reserve	0	0	110,000	110,000
City Hall Reserve				
Information Tech Reserve				
Seawall Maintenance Reserve	10,000	10,000	10,000	10,000
Animal Shelter Reserve				
Parks & Recreation Reserve	0	0	27,857	27,857
Fire Reserve	87,257	87,257	40,000	40,000
Police Reserve				
Library Reserve				
ADA Reserve				
Airport Reserve	83,397	83,397		
Public Works Reserve				
Other Transfers - Balancing Health Insurance	574	574	2,018	2,018
Transfer to Water Hydrants	99,629	99,629	108,433	108,433
Revolving Energy Fund Repayment	22,788	22,788	21,718	21,718
Leave Cash Out Bank	104,643	104,643	146,474	146,474
Total Operating Transfers:	604,789	604,789	584,457	584,457
Total Expenditures & Operating Transfers	12,459,508	12,459,508	12,874,350	12,874,350
Total Deficit	0	(1,173,873)	0	(2,953,766)

FY20 Model Parameters:

- Property Tax reduced by 10% (\$347,577)
- Sales Tax reduced by 15% (\$826,296)
- All other line items remain unchanged from adopted budget

FY21 Model Parameters:

- Property Tax reduced by 20% (\$707,042)
- Sales Tax reduced by 40% (\$2,246,723)
- All other line items remain unchanged from adopted budget

City of Homer
CARMA and Reserves Fund Balance
As of 3/31/20

Capital Asset and Maintenance Allowance Fund and Depreciation Reserves

General Fund CARMA		Audited	Actuals through 12/31/19			Unaudited	Actuals through 3/31/20				Estimated	Budgeted		Estimated
Fund # - Account #	Account Name	Ending Balance FY 2018	Transferred In/(out)	Other Income	Expenditures	Ending Balance FY 2019	Transferred In/(out)	Other Income	Budgeted Expenditures	Actual Expenditures	Balance Thru 3/31/20	Transferred In/(out)	Expenditures	Ending Balance FY 2021
156-0367	Public Art	171		0.65		172					172			172
156-0369	Seawall	28,350	9,798		(7,063)	31,084	10,000			(6,774)	34,310	10,000		44,310
156-0370	Animal Shelter	19,400				19,400					19,400			19,400
156-0372*	Parks & Rec Needs Study	680	(680)			0					0			0
156-0375	General	157,556	(521,275)	77,531		(286,188)		10,351			(275,837)			(275,837)
156-0376*	Police Building	87,339	(87,271)		(68)	(0)					(0)			(0)
156-0377*	Public Safety Building	(22,589)	22,589			0					0			0
156-0378*	Fire Hall Improvements	221,417	(216,441)		(4,977)	(0)					(0)			(0)
156-0384	City Hall	287,436			(225,318)	62,118			(11,000)		62,118			62,118
156-0385	Park & Rec	31,602	115,501		(11,642)	135,461			(40,000)		135,461	27,857		163,318
156-0387	Planning	38,166	486			38,652			(20,000)		38,652		(25,000)	13,652
156-0388	Airport	26,858	99,866		(5,943)	120,781	83,397		(150,000)	(455)	203,723			203,723
156-0390	Library	156,423	49,850			206,274					206,274			206,274
156-0393	Fire	94,961	(14,275)		(80,498)	187	87,257		(185,000)		87,444	40,000	(40,000)	87,444
156-0394	Police	269,103	(444)		(34,906)	233,753			(122,648)	(55,584)	178,169			178,169
156-0395	Public Works	276,121	46,059		(25,461)	296,720			(120,000)		296,720			296,720
156-0396	HERC	187,818				187,818					187,818			187,818
156-0397	Fishing Hole	110,165				110,165					110,165			110,165
156-0398	IT	267,749			(3)	267,746			(50,000)		267,746			267,746
156-0399	Sister City	18,197				18,197					18,197			18,197
156-0400	ADA	100,000				100,000			(34,560)		100,000			100,000
Total		2,356,924	(496,238)	77,531	(395,877)	1,542,340	180,654	10,351	(733,208)	(62,813)	1,670,531	77,857	(65,000)	1,683,388
Audited (CAFR)		2,356,924												

*These four accounts were incorrectly setup in the 156 fund (should have been in capital projects fund 151) - corrections were made in 2019 to close these out

General Fund Fleet CARMA		Audited	Actuals through 12/31/19			Unaudited	Actuals through 3/31/20				Estimated	Budgeted		Estimated
Fund # - Account #	Account Name	Ending Balance FY 2018	Transferred In/(out)	Other Income	Expenditures	Ending Balance FY 2019	Transferred In/(out)	Other Income	Budgeted Expenditures	Actual Expenditures	Balance Thru 3/31/20	Transferred In/(out)	Expenditures	Ending Balance FY 2021
152-0375	General	80,947		33,325		114,272		6,221			120,493			120,493
152-0380	Administrative	41,929				41,929					41,929			41,929
152-0381	Fire	379,711	32,421		(6,425)	405,707				(40,917)	364,790	110,000	(95,000)	379,790
152-0382	Police	196,853	100,000		(106,095)	190,758			(106,000)	0	190,758	23,456	(106,000)	108,214
152-0383	Public Works	28,707	186,846		(161,707)	53,846	196,500		(86,667)	(52,923)	197,422	94,500	(200,000)	91,922
152-0391	Insurance	139,817		1		139,818					139,818			139,818
Total		867,963	319,267	33,326	(274,227)	946,329	196,500	6,221	(192,667)	(93,840)	1,055,210	227,956	(401,000)	882,166
Audited (CAFR)		867,963												

Water & Sewer Depreciation Reserve		Audited	Actuals through 12/31/19			Unaudited	Actuals through 3/31/20				Estimated	Budgeted		Estimated
Fund # - Account #	Account Name	Ending Balance FY 2018	Transferred In/(out)	Other Income	Expenditures	Ending Balance FY 2019	Transferred In/(out)	Other Income	Budgeted Expenditures	Actual Expenditures	Balance Thru 3/31/20	Transferred In/(out)	Expenditures	Ending Balance FY 2021
256-0378	Water	2,650,270	27,227		(62,489)	2,615,008	81,240		(240,175)	(39,384)	2,656,863	206,071	(18,000)	2,844,934
256-0379	Sewer	1,979,620	220,484		(134,720)	2,065,383	14,856		(150,217)	(62,181)	2,018,059	54,594		2,072,653
256-0932	Ocean Dr Sewer - Ord 08-38	90,000				90,000					90,000			90,000
256-0934	Hillside, Ocean Dr Lp Ord 08-38	40,000				40,000					40,000			40,000
Total		4,759,889	247,711	0	(197,209)	4,810,391	96,096		(390,391)	(101,565)	4,804,922	260,664	(18,000)	5,047,586
Audited (CAFR)		4,759,889												

Port & Harbor Depreciation Reserve		Audited	Actuals through 12/31/19			Unaudited	Actuals through 3/31/20				Estimated	Budgeted		Estimated
Fund # - Account #	Account Name	Ending Balance FY 2018	Transferred In/(out)	Other Income	Expenditures	Ending Balance FY 2019	Transferred In/(out)	Other Income	Budgeted Expenditures	Actual Expenditures	Balance Thru 3/31/20	Transferred In/(out)	Expenditures	Ending Balance FY 2021
456-0380	P & H Reserve	3,080,415	(1,374,657)	326	(171,843)	1,534,241	256,611		(33,000)	(269)	1,790,583	225,912	(31,000)	1,985,495
	Load and Launch Reserve	147,690	38,301			185,991	46,717				232,708	41,739		274,446
456-0382	P & H Bond Reserve	1,180,995	(850,575)			330,420	300,000		(311,026)		630,420	300,000	(314,826)	615,594
Total		4,409,099	(2,186,931)	326	(171,843)	2,050,651	603,328	0	(344,026)	(269)	2,653,711	567,650	(345,826)	2,875,535
Audited (CAFR)		4,409,099												

Port & Harbor Fleet Reserve		Audited	Actuals through 12/31/19			Unaudited	Actuals through 3/31/20				Estimated	Budgeted		Estimated
Fund # - Account #	Account Name	Ending Balance FY 2018	Transferred In/(out)	Other Income	Expenditures	Ending Balance FY 2019	Transferred In/(out)	Other Income	Budgeted Expenditures	Actual Expenditures	Balance Thru 3/31/20	Transferred In/(out)	Expenditures	Ending Balance FY 2021
452-0374	P & H Fleet	162,603	30,000			192,603	30,000		(30,000)	0	222,603	30,000		252,603
Total		162,603	30,000	0	0	192,603	30,000	0	(30,000)	0	222,603	30,000	0	252,603
Audited (CAFR)		162,603												

These numbers are preliminary and are subject to our annual audit.

City of Homer
HAWSP Reconciliation
Thru 3/31/20

Fund 205 - HAWSP
Reconciliation
Updated 6/3/20

	2018 Actual	2019 Actual	3/31/2020 Actual
Beginning Balance	(3,356,086)	(2,748,991)	2,389,999
Revenue			
Sales Tax	1,244,495	1,570,211	279,635
Reimbursements	-	-	-
Assessment Revenue	485,043	607,034	-
Interest Income	-	-	-
Penalties/Interest	-	-	-
Assessment Interest	58,557	46,309	-
Other Grants	-	-	-
Other Revenue	-	100,011	-
Transfer In	-	4,063,561	-
Operating Transfer	-	-	-
Total Revenue	1,788,095	6,387,126	279,635
Expenditures			
Professional Services	-	-	-
Engr/Arch/Design	-	-	-
GF Admin Fees	137,309	143,856	148,287
Construction	-	-	-
Debt Payment - Principal	892,157	881,066	67,413
Debt Payment - Interest	151,533	148,700	16,241
Deferred Loss Expense	-	-	-
Bond Issue Fees	-	-	-
Transfers to	-	74,514	-
Proceeds from LT Debt	-	-	-
De-obligation Revenues	-	-	-
Total Expenditures	1,180,999	1,248,136	231,941
Change in Net Assets	607,095	5,138,990	47,694
Ending Balance	(2,748,991)	2,389,999	2,437,693

"Transfer In" Detail

Project Closeout (Ord 19-57(S-2))	
215-0834: Kachemak Dr Water Main Phase III	158
215-0836: Old Cast Iron Water Main Rep De	5,693
215-0835: Water System Distr/Storage	21,078
215-0859: East End W/S Expansion	507,994
215-0865: Design Water Plant	427,557
Reclass FB - W/S Operations to HAWSP (Ord 19-58)	3,101,082
Total Transfer In	- 4,063,561

"Transfer To" Detail

Project Closeout (Ord 19-57(S-2))	
215-0815: Bartlett/Hohe Reconstruction	53,786
215-0829: East End Road PVC Pipe Replacement	15,276
215-0837: Shellfish Ave/South Slope Water Main	5,200
Reclass Unreimbursed Expenditure	252
Total Transfer To	- 74,514

City of Homer
HART - Roads Reconciliation
Thru 3/31/20

Fund 160 - HART - Roads
Reconciliation

Department	Dept #	2018	2019	3/31/2020
General - Sales Tax Income	375	-	1,413,190.03	251,671.64
General - Interest Income	375	64,323.38	180,136.62	45,594.80
General - G/F Fees	375		(115,084.93)	(118,629.41)
Other Transfer	375		(799,222.70)	
Misc Expenses	375			
Sub Total (375)		64,323.38	679,019.02	178,637.03
Waddell Way	766		23,197.48	
Soundview/woodard creek	771			
Crittenden/Webber	774			
Greatland	775	(640,714.04)	(4,698.61)	
Hornaday Improvements	778		(15,427.77)	
Eric Lane	790		(839,406.48)	
Heath Street Storm	930		(65,000.00)	
Net Assets		(576,390.66)	(222,316.36)	178,637.03
Beginning Fund Balance		6,616,062.61	6,039,671.95	5,817,355.59
Adj to Fund Balance	Transfer from			
Ending Fund Balance		6,039,671.95	5,817,355.59	5,995,992.62

City of Homer
HART - Trails Reconciliation
Thru 3/31/20

Fund 165 - HART Trails
Reconciliation

Department	Dept #	2018	2019	3/31/2020
General - Sales Tax Income	375 4201		157,021.11	27,963.51
General - Interest Income	375 4801	5,903.79	17,859.31	4,958.50
General - Plans & Specs	375 4610			
General - Professional Svcs	375 5210		(5,102.30)	
General - G/F Fees	375 5241		(28,771.23)	(29,657.35)
Other Transfer	375	(1,560.00)	(38,004.63)	
Misc Expenses	375			
Net Assets		4,343.79	103,002.26	3,264.66
Beginning Fund Balance		564,008.23	568,352.02	671,354.28
Ending Fund Balance		568,352.02	671,354.28	674,618.94