



## **Homer City Hall**

491 E. Pioneer Avenue

Homer, Alaska 99603

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

# **City of Homer Agenda**

## **City Council Worksession**

**Monday, August 09, 2021 at 4:00 PM**

**In Person at City Hall Cowles Council Chambers**

**By Zoom Webinar**

<https://cityofhomer.zoom.us/j/96586314135?pwd=WTdvVHdDVmxxZHJwaC9ZNmFYlZ3dz09>

**Or Dial: 1(669) 900 6833 or 1(253) 215 8782 or Toll Free (888) 788 0099 or (877) 853 5247**

**Webinar ID: 965 8631 4135 Passcode: 792566**

### **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. Capital Asset Repair and Maintenance Allowance (CARMA) Fund

### **COMMENTS OF THE AUDIENCE** (3 minutes)

### **ADJOURNMENT NO LATER THAN 4:50 P.M.**

Next Regular Meeting is Monday, August 23, 2021 at 6:00 p.m., Special Meeting at 3:30 p.m., Committee of the Whole at 5:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.



# City of Homer

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## Office of the City Manager

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## Memorandum

TO: Mayor Castner and Homer City Council  
FROM: Rob Dumouchel, City Manager  
DATE: July 26, 2021  
SUBJECT: CARMA Work Session

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During the series of work sessions held for the FY22/23 budget, there was a discussion which focused on CARMA and other forms of reserves. At the end of that work session, there was a clear interest held by Council to have a deeper conversation about how CARMA accounts are used and managed. The topic of an in-depth discussion on CARMA accounts was raised again during the introduction and adoption of Ordinance 21-30(S) which rebalanced the general CARMA (156) account.

The work session planned for August 9<sup>th</sup> is intended to give Council the opportunity to discuss and provide guidance to staff regarding the future of use of CARMA accounts, particularly the many CARMA subaccounts. A powerpoint presentation will be provided at the meeting (and in the packet) to set a foundation for the discussion and keep the meeting on track.

# CARMA

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HOMER CITY COUNCIL WORK SESSION – 9AUG21

# AGENDA

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- Discuss CARMA basics
  - Code
  - Past Uses
  - Funding
- CARMA Questions for Council

# CARMA IN HOMER CITY CODE § 3.05.047

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- (a.) There is established in the general fund a capital asset repair and maintenance allowance fund (CARMA). The amount of the fund shall be established by City Council in the biennial budget based on the projected maintenance and repair needs of the City.

# CARMA IN HOMER CITY CODE § 3.05.047

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- (b.) Purpose. Capital asset management is essential to extending the life and use of taxpayer funded assets, facilities and infrastructure.

# CARMA IN HOMER CITY CODE § 3.05.047

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- (c.) Funds in the capital asset repair and maintenance allowance fund shall be available for appropriation and expenditure for equipment replacement, fleet replacement, engineering, or planning services, major maintenance of City facilities, or **any other purpose** identified and recommended by the City Manager and authorized by the City Council.

While the CARMA descriptions in § 3.05.047 (a. & b.) are fairly narrow, this section gives CARMA a very broad list of potential uses

Capital Asset Acquisition, Replacement, Repair and Maintenance  
Allowance fund (CAARRMA)?

# HOW HAS CARMA BEEN USED?

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- CARMA funds have been used for new capital needs, fleet replacements, repair and maintenance of existing equipment, planning, design, etc.

## General CARMA Examples:

- Departmental Servers (replacement)
- Skatepark Upkeep (maintenance & repair)
- Extrication Tool (replacement)
- Airport ADA (maintenance & repair)
- Spit Parking (Planning)

## Fleet CARMA Examples:

- Police Patrol Rigs (replacement + one new)
- Maintenance Vans (replacements)
- Fire Deputy Command Rig (new)
- Lighting Upgrade (replacement)
- Training Trailer Repair (repair)

# FY22/23 CAPITAL BUDGET CONTEXT

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- Ordinance 21-30(S) rolled unencumbered General CARMA funds into that CARMA's general subaccount (156-0375)
- Ordinance 21-30(S-2) rolled unencumbered Fleet CARMA funds into the general subaccount (152-0375)
- FY22/23 General CARMA appropriations pull funds from the general subaccount (156-0375), likewise, Fleet CARMA appropriations pull funds from the general fleet subaccount (152-0375)
- The intent was to have this CARMA discussion after the budget was adopted to determine how we operate these accounts in the future

# HOW IS CARMA TYPICALLY FUNDED?

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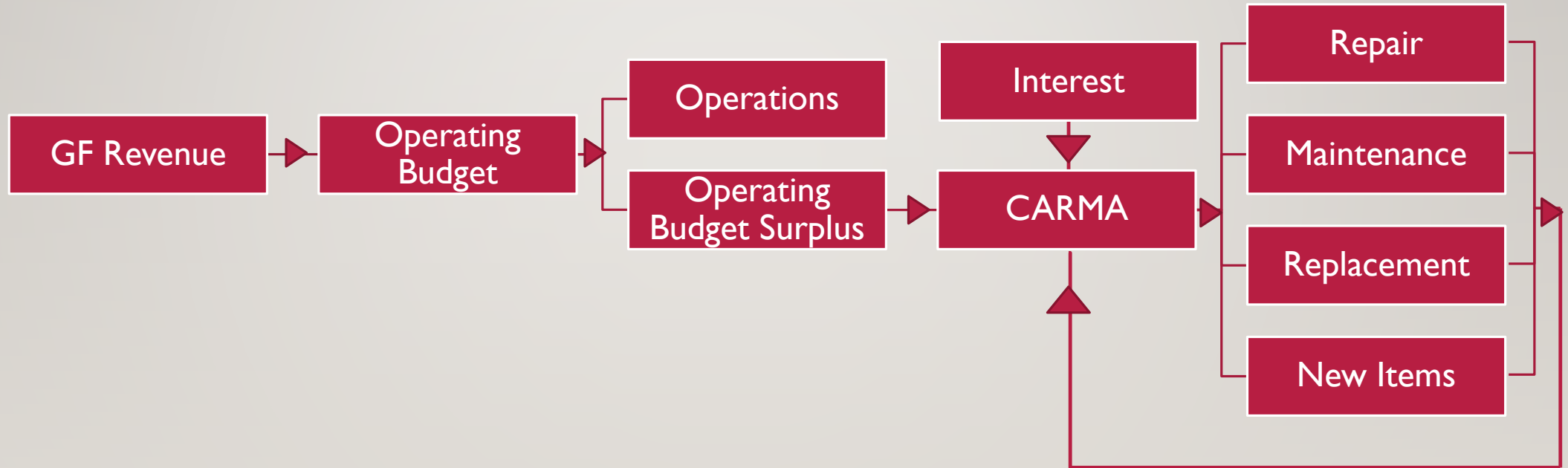
- The primary funding source is operating budget “surplus” which is transferred to specific CARMA accounts by Council via ordinance
- Interest income (relatively small amount of money)

Note that:

- An ordinance approved by City Council is required to release CARMA funds
- The Council can appropriate reserve funds to virtually anything they deem appropriate

# TYPICAL CARMA CASH FLOW

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# GENERAL CARMA (156) SUBACCOUNTS

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- Public Art (156-0367)
- Seawall (156-0369)
- Animal Shelter (156-0370)
- General (156-0375)
- City Hall (156-0384)
- Park & Rec (156-0385)
- Planning (156-0387)
- Airport (156-0388)
- Library (156-0390)
- Fire (156-0393)
- Police (156-0394)
- Public works (156-0395)
- HERC (156-0396)
- Fishing Hole (156-0397)
- IT (156-0398)
- Sister City (156-0399)
- ADA (156-0400)

# FLEET CARMA (152) SUBACCOUNTS

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- General (152-0375)
- Admin (152-0380)
- Fire (152-0381)
- Police (152-0382)
- Public Works (152-0383)
- Insurance (152-0391)

# UTILITY CARMA (256) SUBACCOUNTS

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- Water (256-0378)
- Sewer (256-0379)

# LONG-TERM STAFF GOALS FOR CARMA ACCOUNTS

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- In cooperation with Council, develop clear purposes and policy guidelines for all reserve accounts (within 1 year)
- Create a more intentional funding strategy for reserve accounts and maintenance projects (during FY24/25 budget prep – starts July2022)
- Maintain sufficient balances for efficient fleet replacement and a pace of capital improvement that matches the needs of the community and the desires of the Council

# QUESTIONS FOR COUNCIL

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- Overall, how do you want CARMA to be used? - examples
- What CARMA funding mechanisms do you want to use?
- What are your CARMA funding goals?
- Should we continue to use the subaccounts? Reduce them? Drop subaccounts?

# NEXT STEPS

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- Feedback from this session will be used to develop a CARMA proposal update to Council
  - If necessary, we will host a second session to gather more data