



Agenda

City Council Committee of the Whole

Monday, August 25, 2025 at 5:00 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 953 097 829 Password: 234969

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 5:00 P.M.

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

CONSENT AGENDA

REGULAR MEETING AGENDA

DISCUSSION TOPIC(S)

- a. Homer Accelerated Roads and Trails (HART) Fund Discussion

Memorandum CC-25-215 from Finance Director as backup.

- b. Strategic Planning Discussion (*continued from Worksession—if desired and time allows*)

Refer to Worksession Materials

COMMENTS OF THE AUDIENCE

ADJOURNMENT NO LATER THAN 5:50 P.M.

Next Regular Meeting is Monday, September 8, 2025 at 6:00 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.



MEMORANDUM

Homer Accelerated Roads and Trails (HART) Assessments Fund

Item Type: Informational Memorandum
Prepared For: Mayor Lord and City Council
Date: August 20, 2025
From: Elizabeth Fischer, Finance Director
Through: Melissa Jacobsen, City Manager

Fund Overview:

The Finance Department has been evaluating the City's fund structure and analyzing whether the current structure is most appropriate for current operations. Upon initial review, it was determined to dissect the purpose of the HART Assessments Fund.

The HART Assessments Fund has been reported as a Nonmajor Special Revenue Fund in the City's financial statements and per those statements, "this fund accounts for assessments that have been earmarked for road improvements". This fund has also been communicated in the quarterly financial reports generated by the City's Finance Department. Current fund balance is \$1,237,102.

Fund Analysis:

A relationship exists between the HART Assessments Fund (155) and the HART Roads Capital Project Fund (160). The capital project fund accounts for all expenses associated with individual road projects and the assessments fund accounts for all assessment revenue generated from road SADs. Prior to the beginning of FY25, investment income was also accounted for in the HART Assessments Fund (155). Investment income has since been allocated to HART Roads Capital Project Fund (160).

The HART Policy Manual states that the "program is funded by a portion of dedicated sales tax of up to three quarters of one percent and the collection of assessment payments due from completed projects". Therefore, staff has determined it would be appropriate to combine these two fund balances together when communicating total HART Roads fund balance. Further analysis will be performed to reconcile the balances between the two funds.

Staff Recommendation:

The Finance Department recommends combining the balances of HART Assessments Fund (155) with HART Roads Capital Project Fund (160) to determine overall HART Roads fund balance. This combination would increase the overall fund balance of HART Roads by roughly \$1.2M.

	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Prelim Actual	FY 26 YTD
Fund 155 - HART Assessments	780,628	878,836	1,001,309	1,047,210	1,131,469	1,218,727	1,273,047	1,273,047
Fund 160 - HART Roads Capital Projects	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081	4,569,284
Fund 160 - HART Roads Capital Projects Match	-	-	-	-	500,000	500,000	500,000	500,000
	6,687,998	7,344,434	7,747,387	7,611,602	6,291,077	6,917,495	6,472,128	6,342,331

Encumbered - HART Roads	3,102,165
Available Balance - HART Roads	2,740,166

Fund 160 - HART Roads Capital Projects Reconciliation	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Prelim Actual	FY 26 YTD
<u>Beginning Balance:</u>								
HART Roads	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081
HART Roads Match	-	-	-	-	-	500,000	500,000	500,000
Beginning Balance	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,698,768	5,199,081
Revenue								
Sales Tax	1,503,204	1,261,822	740,980	1,652,656	1,694,524	1,713,223	1,695,803	126,451
Remote Sales Tax			-	79,249	111,782	96,366	128,830	22,838
Interest Income	180,137	152,136	(6,132)	(187,901)	91,697	326,181	323,118	8,754
Total Revenue	1,683,341	1,413,958	734,847	1,544,005	1,898,003	2,135,770	2,147,751	158,043
Transfers								
Transfers In	451,393			10,000	500,000		26,029	
Transfer to GF for Roads Maintenance*	(589,843)	(608,810)		(807,065)	(866,100)	(933,347)	(921,823)	
Other Transfers Out	(1,541,981)	-	(272,200)	(170,678)	(680,883)	(46,042)	(168,779)	-
Total Transfers	(1,680,432)	(608,810)	(272,200)	(967,743)	(1,046,983)	(979,390)	(1,064,572)	-
Expenditures								
HART Roads	(20,126)	(128,290)	(182,168)	(757,947)	(2,255,804)	(617,220)	(1,582,866)	(287,840)
HART Roads GF Admin Fees	(115,085)	(118,629)	-	-	-	-	-	-
HART Roads Match	-	-	-	-	-	-	-	-
Total Expenditures	(135,211)	(246,920)	(182,168)	(757,947)	(2,255,804)	(617,220)	(1,582,866)	(287,840)
<u>Ending Balance:</u>								
HART Roads	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081	4,569,284
HART Roads Match	-	-	-	-	500,000	500,000	500,000	500,000
Ending Balance	5,907,370	6,465,598	6,746,078	6,564,392	5,159,608	5,698,768	5,199,081	5,069,284
							Encumbered - HART Roads	3,102,165
							Available Balance - HART Roads	1,467,119
Fiscal Year Appropriations - HART Roads	65,097	1,265,000	1,128,910	4,254,772	957,105	2,998,667	2,001,905	125,000
Fiscal Year Appropriations - HART Match	-	-	-	-	-	-	-	-

*FY26 General Fund Roads Maintenance expenses YTD is \$94,369 - budgeted transfer to GF for Roads Maintenance is \$1,178,106

Fund 155 - HART Assessments Reconciliation	FY 19 Actual	FY 20 Actual	FY 21 Actual	FY 22 Actual	FY 23 Actual	FY 24 Actual	FY 25 Prelim Actual	FY 26 YTD
Beginning Balance	701,157	780,628	878,836	1,001,309	1,047,210	1,131,469	1,218,727	1,273,047
Revenue								
Assessment Revenue	45,096	67,633	107,988	65,046	59,807	23,840	35,945	-
Interest Income	21,706	19,374	(887)	(26,935)	19,843	60,465	(3,121)	-
Assessment Interest	12,670	11,202	15,372	7,791	4,610	2,952	2,936	-
Total Revenue	79,471	98,208	122,473	45,901	84,259	87,258	35,761	-
Transfers								
Transfers In	-	-	-	-	-	-	20,638	-
Transfers Out	-	-	-	-	-	-	(2,078)	-
Total Transfers	-	-	-	-	-	-	18,560	-
Total Expenditures	-	-	-	-	-	-	-	-
Ending Balance	780,628	878,836	1,001,309	1,047,210	1,131,469	1,218,727	1,273,047	1,273,047