



City of Homer

Finance

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MEMORANDUM 08-68

Date: May 8, 2008
To: Council
Through: Walt Wrede
City Manager
From: *Regina* Regina Harville
Finance Director
Subject: 2008 Financial Analysis

With Council addressing the decrease in the property tax mil rate and the discussion of sales tax reductions, a review of the financial condition of the General Fund through April 2008 was conducted. Council should consider a few things prior to reducing the Mil Rates or Sales Tax Rates.

The Borough provided me with the preliminary assessed values for 2008, \$592,663,000. Keep in mind that there are a large number of appeals due to be presented to the Official Board of Equalization so this number will probably decrease. Using this assessed value, Homer's increase in property taxes is anticipated to be \$142,206 from what we budgeted for. (Attachment A)

Using the actual tax receipts through April and the budgeted revenues for the rest of the year, Sales Tax Receipts for the General Fund it appears that we will receive \$80,259 less than what we budgeted for. (Attachment B)

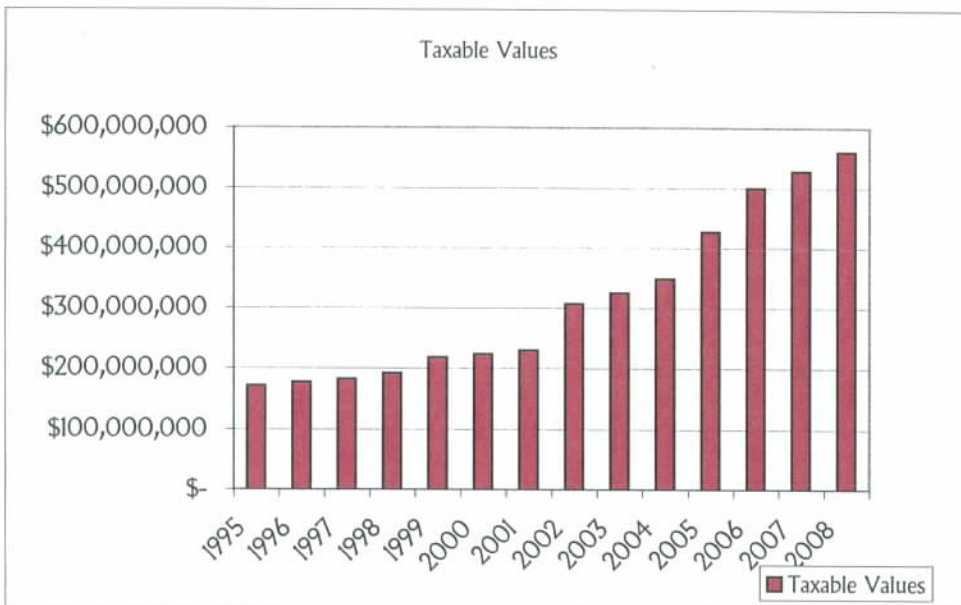
Unanticipated increased costs for fuel, electric and water & sewer for 2008 were calculated using the actual data through April. Based on this analysis we will have increased cost in these areas alone of \$310,299 (Unbudgeted). This does not consider other goods and services that will likely increase due to the escalation of fuel. (Attachment C)



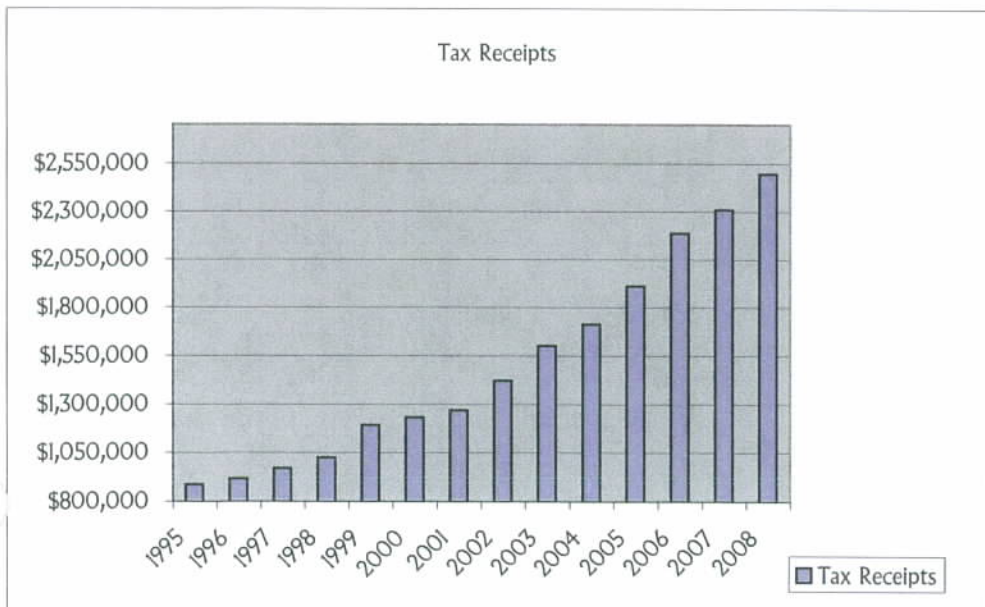
Where the Land Ends and the Sea Begins

City of Homer

Year	Taxable Values	Percentage	Basis	Tax Receipts	Basis
1995	\$171,671,589	3.29%	Actual	\$887,442	Actual
1996	\$177,061,261	3.14%	Actual	\$919,532	Actual
1997	\$182,460,650	3.05%	Actual	\$970,560	Actual
1998	\$191,928,412	5.19%	Actual	\$1,026,049	Actual
1999	\$218,639,912	13.92%	Actual	\$1,192,664	Actual
2000	\$223,830,212	2.37%	Actual	\$1,233,270	Actual
2001	\$229,824,612	2.68%	Actual	\$1,270,211	Actual
2002	\$307,199,562	33.67%	Actual	\$1,422,892	Actual
2003	\$324,858,862	5.75%	Actual	\$1,601,506	Actual
2004	\$348,552,362	7.29%	Actual	\$1,712,169	Actual
2005	\$426,736,862	22.43%	Actual	\$1,911,918	Actual
2006	\$500,296,962	17.24%	Actual	\$2,188,123	Actual
2007	\$529,002,262	5.74%	Actual	\$2,309,398	Actual
2008	\$560,742,398	6.00%	Budget	\$2,498,107	Budget
2008	\$ 592,663,000			\$2,640,314	



Change in Receipts	
FY 2008 Budgeted	2,498,107
FY 2008 Projected	2,640,314
Change in Revenue	142,206

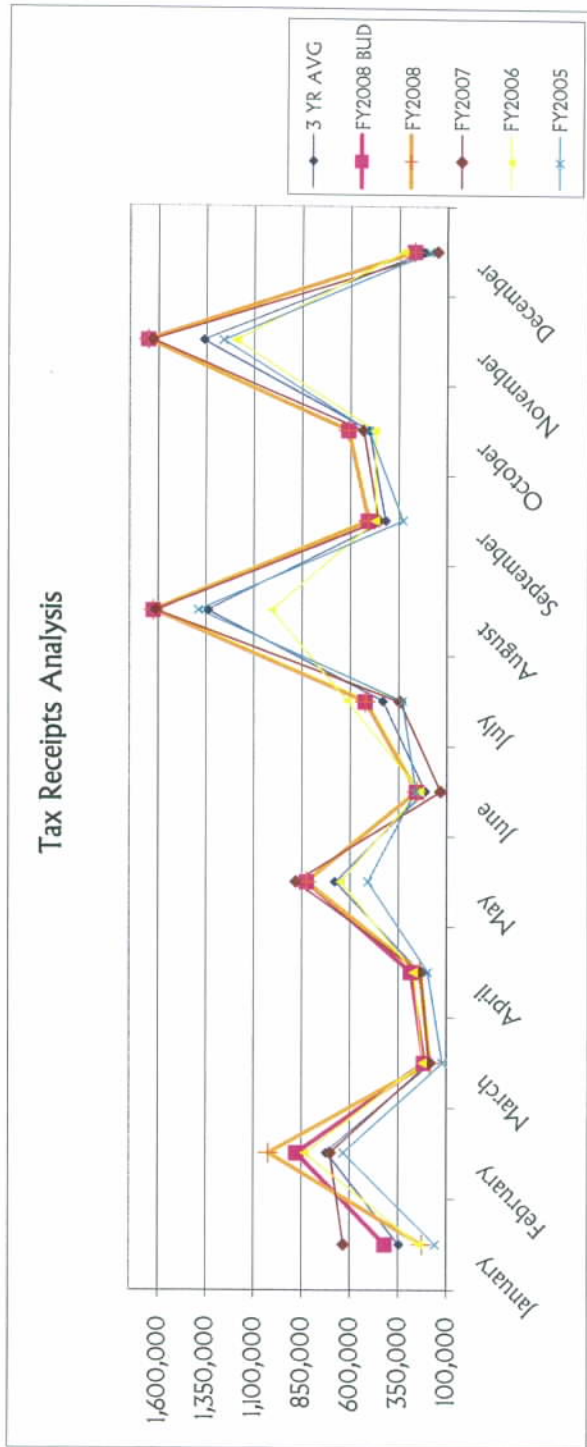


Total Tax Receipts - per KPB Reports

	January	February	March	April	May	June	July	August	September	October	November	December	Total
FY2002	235,388	380,279	109,320	231,443	316,236	126,174	382,955	677,665	277,455	450,518	687,874	155,641	4,030,948
FY2003	224,815	483,914	113,038	158,745	513,963	138,171	295,314	826,740	276,163	451,811	752,585	150,531	4,385,789
FY2004	173,383	608,080	118,185	159,742	511,976	169,754	278,260	973,217	282,216	358,798	984,426	128,990	4,747,028
FY2005	156,436	631,587	119,393	195,704	505,108	260,454	328,133	1,387,454	326,776	503,283	1,258,696	189,159	5,862,184
FY2006	240,620	831,955	222,816	270,840	649,076	239,430	614,911	1,007,800	468,950	472,900	1,195,427	325,981	6,540,706
FY2007	631,651	700,910	189,457	234,994	880,550	131,452	343,623	1,611,240	454,949	531,720	1,629,222	150,320	7,490,087
FY2008	225,658	1,021,315	186,685	237,640	823,601	255,546	520,805	1,621,712	506,237	610,355	1,652,819	269,359	7,931,734
	Actual												
3 YR AVG	342,903	721,484	177,222	233,846	678,245	210,445	428,889	1,335,498	416,892	502,634	1,361,115	221,820	6,630,992
CUM	342,903	1,064,386	1,241,609	1,475,455	2,153,699	2,364,145	2,793,033	4,128,532	4,545,424	5,048,058	6,409,173	6,630,992	
% EA MO	5.17%	10.88%	2.67%	3.53%	10.23%	3.17%	6.47%	20.14%	6.29%	7.58%	20.53%	3.35%	100%
CURVE	5.17%	16.05%	18.72%	22.25%	32.48%	35.65%	42.12%	62.26%	68.55%	76.13%	96.65%	100.00%	
FY2008 BLD	416,391	876,107	215,203	283,962	823,601	255,546	520,805	1,621,712	506,237	610,355	1,652,819	269,359	8,052,098

Year to date:	FY 2008 Actual	7,931,734
	FY 2008 Budget	8,052,098
	Add'l Revenue	(120,364)

General Fund	(60,739)	5,786,880
HAWSP	(20,033)	1,321,427
HART - Trully	(2,095)	132,143
HART - Roads	(18,947)	1,187,284
	(120,364)	7,931,734



City of Homer

Increased Costs:

	Expenses thru 4/30	2008 Anticipated Expense	2008 GF Budget	Anticipated Expenditures over Budget for 2008
Electric	75,024.88	258,706.48	204,800.00	(53,906.48)
Fuel	139,924.25	482,497.41	231,250.00	(251,247.41)
Water / Sewer	22,502.53	77,594.93	72,450.00	(5,144.93)
Total	474,903.32	818,798.83	1,293,702.15	(310,298.83)

