

Operating Budget Amendments

PG	Amendment	Sponsor	Status
	\$9,394 increase in Finance salary and benefits to rearrange duties and hire qualified accountant (decreases contribution to City Hall reserves)	City Manager	Adopted 11-27
	\$20,000 for SPARC from health insurance fund (decreases balance of health insurance fund)	Mayor	Withdrawn by sponsor
	\$20,000 increase in funding Homer Foundation for non-profit grant program (decreases contribution to City Hall reserves)	Mayor	Withdrawn by sponsor
	\$90,000 increase in salary and wages across all City funds to fund 1% cost of living adjustment (COLA) (increases draw on health insurance fund)	Mayor	Amended to .5%. Adopted 11-27
	\$10,000 increase to Library book budget (decreases transfer to Library reserve)	Aderhold	Adopted 11-27

Capital Budget Amendments

		Sponsor	Status
	\$33,415 from Water Reserves to pay stewardship costs for preserving over 300 acres in Bridge Creek Watershed	Erickson	Adopted 11-27
	\$1,000,000 transfer from health insurance fund to police station project (\$669,212); Port and Harbor Reserves (\$171,429); Water Reserves (\$88,424); Sewer Reserves (\$70,936).	Smith	Adopted 11-27
	\$750 from Park Reserves to post 3 signs at points of entry into Kachemak Bay to warn recreational users of the hazards of cold water and limits of emergency response capabilities.	Erickson	Adopted 11-27 with PARAC referral
	Eliminate funding for drone and associated training for Police Department (\$34,000)	Smith	
	Reduce funding for City Hall roof design from \$25,000 to \$15,000	Smith	

2018 Operating Budget Amendments

11-27-2017

**City of Homer
2018 Operating Budget**

2018 Proposed Budget Amendment Form

Fund Name: General Fund

Department Number: 0120- Finance and 100-Mayor Council Transfers to Reserves

Account #	Account name	Page #	Increase	Decrease	Balance
5101	Finance Salary and Wages	63	\$7,446		\$364,530
5102	Finance Fringe Benefits	63	\$1,948		\$207,359
5990	Transfer to (City Hall Reserve)	47		\$9,394	\$139,713

Rationale:

Duties in the Finance Department will be reorganized in order to more evenly distribute work load and avoid critical tasks falling through the cracks. This requires a budget amendment to be able to hire a trained accountant to fill a current vacancy. An accountant with education and/or extensive experience in the field is required for the complex operations the City asks of Finance employees and the high standard we hold the department to.

Requested By:
City Manager

Prepared By:
City Manager

**City of Homer
2018 Operating Budget**

2018 Proposed Budget Amendment Form

Fund Name: Health Insurance Fund/ General Fund

Department Number:

Account #	Account name	Page #	Increase	Decrease	Balance
600	Health Insurance Fund	198	\$12,039		\$0
100-350-58XX (new)	SPARC	73	\$20,000		\$20,000

Further Explanation of Amendment:

The FY2018 draft budget anticipated a 15% increase in health insurance. This was budgeted for through an allocation of \$1350 per employee per month (up from \$1250 in 2017) through the operating budget, employee contributions increasing by 15%, and a \$381,906 draw from the Health Insurance Fund. The actual negotiated increase came in at 8.2% more than FY2017. This means that for the 2018 budget there is no anticipated draw on the Health Insurance Fund but rather a deposit of \$32,039. This amendment proposes to increase General Fund expenditures by \$20,000, which would result in a \$12,039 deposit in the Health Insurance Fund.

Rationale:

The South Peninsula Athletic and Recreation Center (SPARC) was built last year through a grass roots, community wide effort. The community came together and donated funds, labor and materials. In the spirit of partnership and community, the City provided \$189,000 in capital funding and the Kenai Peninsula Borough provided the land. In the end, the community has a facility where all ages can come together, recreate, and be healthier. This amendment provides \$20,000 in operating funds to SPARC. It is the intent that funds for SPARC be included in the operating budget for 5 years to help the new organization get off the ground. A successful SPARC helps prepare the community for an alternate use of the HERC.

SPARC is an opportunity for the entire community to be proactive in creating healthy citizens and a way to reduce future health care costs for our citizens, city, and state.

withdrawn by sponsor

Requested By: _____
Mayor Zak

Prepared By: _____
City Manager

**City of Homer
2018 Operating Budget**

2018 Proposed Budget Amendment Form

Fund Name: General Fund

Department Number: 0350 (Non-Departmental) and 0100 (Mayor/Council)

Account #	Account name	Page #	Increase	Decrease	Balance
5990-159-0384	Transfer to City Hall Reserve	47		\$20,000	\$129,107
100-5830	Homer Foundation	73	\$20,000		\$45,000

Rationale:

The Homer Foundation plays an important role for the non-profit community in Homer. As manager of the City of Homer grant program, it provides for the distribution of \$35,000 annually to area non-profits in a professional and thoughtful manner (a combination of the annual appropriation and interest earned on the endowment fund). These funds provide crucial unrestricted operating revenue for Homer area non-profits. Increasing the annual City of Homer contribution will provide expanded support for non-profits in a time of tight budgets around the state and help them weather the economic downturn.

withdrawn by sponsor

Requested By: _____
Mayor Zak

Prepared By: _____
City Manager

**City of Homer
2018 Operating Budget**

2018 Proposed Budget Amendment Form

Fund Name: All Funds

Department Number: All Departments

Account #	Account name	Page #	Increase	Decrease	Balance
5102	Fringe Benefits (city-wide)			90,000	
5101	Salary and Wages (city-wide)		90,000		
11-27 adopted amendment					
5102	Fringe Benefits (city-wide)			45,000	
5101	Salary and Wages (city-wide)		45,000		

Further Explanation of Amendment:

The FY2018 draft budget anticipated a 15% increase in health insurance. This was budgeted for through allocation of \$1350 per employee per month (up from \$1250 in 2017) through the operating budget, employee contributions increasing by 15%, and a \$381,906 draw from the Health Insurance Fund. The actual negotiated increase came in at 7.7% more than FY2017 actual. This means that for the 2018 budget all other variables remaining constant, there is no anticipated draw on the Health Insurance Fund but rather a deposit of \$21,535.

This amendment proposes to decrease the per employee allocation for health insurance from \$1350 to \$1275 in order to fund a 1% COLA for employees. The net result of this amendment is a \$71,165 draw on the Health Insurance Fund to cover the remainder of employee health insurance costs.

Rationale:

The employee committee has made several concessions to health insurance in order to find greater savings for this city. These include changing prescription drug coverage and eliminating the more generous 'buy-plan' as an option for employees. This, combined with aggressive negotiation, has resulted in significantly less than the draft budget presented in Health Insurance costs to the City (a 7.7% increase instead of a 15% increase). In addition, the City needs to consistently inflation proof the wage scale through COLAs to maintain competitiveness. This is best done through small regular COLAs rather than large sporadic ones that are challenging to budget for.

Requested By:
Mayor zak

Prepared By:
City Manager

**City of Homer
2018 Operating Budget**

2018 Proposed Budget Amendment Form

Fund Name: General Fund

Department Number: 100-0145 Library/ 100-0100 Mayor Council

Account #	Account name	Page #	Increase	Decrease	Balance
100-0145-5228	Books	68	\$10,000		\$37,000
100-0100-5990	Transfers to (Library Reserve)	47		\$10,000	\$90,000

Rationale:

Book budget was cut by \$20,000 (43%) in 2016. We relied on a Rasmuson grant to make up much of the difference in 2016. In 2017 we are using up most funds remaining in the Library Donation Fund to get by. Even with those additions, due to budget limitations we are returning worn out books to the shelves, which should be replaced, and are unable to adequately update some sections of the collection, for example Reference (which tends to contain very expensive books) and popular circulating sections, such as health/medical and travel guides.

The price of books continues to rise.

Tumblebooks, our most well-used e-resource with over 8,300 uses in the past year, has been funded either in full or partially for the past two years by private donors and community groups because we could not afford to maintain it. This is not sustainable.

Despite the fact that the Homer Library has now surpassed Soldotna, Kenai and Kodiak in circulation of materials (books, periodicals, A-V), our budget for circulating materials consistently lags behind. It is time to restore at least some funding to the book budget to avoid a deteriorating collection.

Requested By:
Councilmember Aderhold

Prepared By:
City Manager

2018 Capital Budget Amendments

11-27-2017

City of Homer
2018 Capital Budget

2018 Proposed Budget Amendment Form

Fund Name: Water Reserve

Project name: Acreage protection in the Bridge Creek Watershed.

Account #	Account name	Page #	Increase	Decrease	Balance
256-0378	Water Reserves	158		\$ 33,415.70	\$ 2,603,228.30

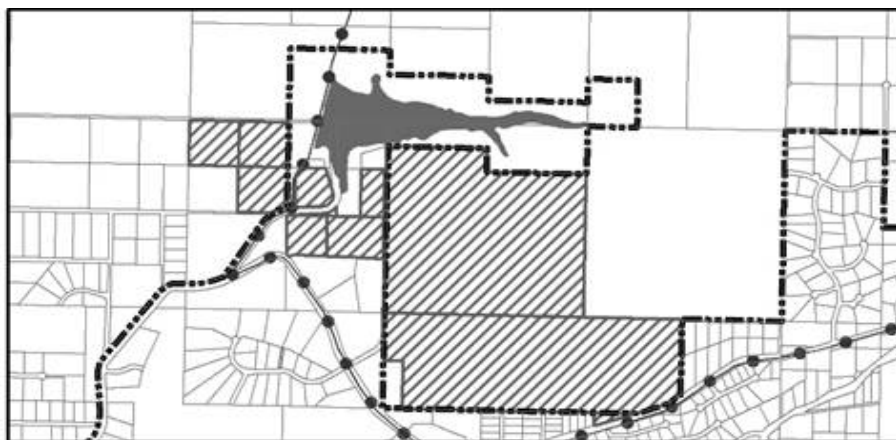
Rationale:

This request for \$33,415.70 will cover the stewardship costs for a Conservation Easement to protect 302 acres into perpetuity. Of the 302 acres, 273.61 acres are within the Bridge Creek Watershed and the other 28.55 acres feed into the anadromous Bridge Creek.





The stewardship costs, \$33,415.70 are paid to Kachemak Heritage Land Trust (KHLT) and cover the annual monitoring, reporting, record keeping, and a federally negotiated indirect overhead rate.

The goal of the Conservation Easement is to protect riparian and wetland water resources, the forest, the wildlife and scenic open space which all contribute to the health of the Bridge Creek Water Shed.

Watershed protection for \$110.59 per acre into perpetuity.



Legend

-  City Limits
-  BCWPD
-  Reservoir
-  Conservation lots

Requested By:
Councilmember Erickson

Prepared By:
City Manager

**City of Homer
2018 Capital Budget**

2018 Proposed Budget Amendment Form

Fund Name: All Funds

Department Number: All Departments

Account #	Account name	Page #	Increase	Decrease	Balance
600	Health Insurance Fund	198		\$1,000,000	\$597,502
156-0376	Police Station Fund		\$669,212		\$2,299,503
456-0380	Port and Harbor Reserve		\$171,429		\$4,166,285
256-0378	Water Reserve		\$88,424		\$2,725,068
256-0379	Sewer Reserve		\$70,936		\$2,299,206
*excludes FY2018 proposed transfer to reserves and any approved capital projects					

Further Explanation of Amendment:

The FY2018 draft budget anticipated a 15% increase in health insurance. This was budgeted for through an allocation of \$1350 per employee per month (up from \$1250 in 2017) through the operating budget, employee contributions increasing by 15%, and a \$381,906 draw from the Health Insurance Fund. The actual negotiated increase came in at 7.7% more than FY2017. This means that for the 2018 budget there is no anticipated draw on the Health Insurance Fund but rather a deposit of \$21,535.

This amendment proposes to transfer money from each fund that has accumulated in the health insurance fund back into their reserve funds. Under the general fund, it further specifies that the returned funds be allocated to the police station project.

	FTEs	% Multiplier	\$1 million Split
General Fund	67.93	0.67	669,212
Port and Harbor	17.40	0.17	171,429
Water	8.98	0.09	88,424
Sewer	7.20	0.07	70,936
Total	101.5	100%	1,000,000

Rationale:

It is unreasonable to have almost 1 year of health insurance premiums in the Health Insurance Fund.

Requested By: _____
Councilmember Smith

Prepared By: _____
City Manager

City of Homer
2018 Capital Budget

2018 Proposed Budget Amendment Form

Fund Name: General Fund

Department Number: 100

Account #	Account name	Page #	Increase	Decrease	Balance
156-0538	Parks & Rec Depreciation	158		\$750	\$67,349

Rationale:

The purpose of this amendment is to post 3 signs at points of entry within City limits to Kacheamk Bay to advise recreational users of the hazards of cold water recreation and the limitation of local response capabilities. The cost is approximately \$250 per sign.

Requested By:
Councilmember Erickson

Prepared By:
City Manager

City of Homer
2018 Capital Budget

2018 Proposed Budget Amendment Form

Fund Name: General Fund- 100

Project name: Delete Drone for search and rescue (HPD) from draft 2018 capital budget

Account #	Account name	Page #	Increase	Decrease	Balance
100-0160-5231	Police Reserves	165		\$34,000	

Rationale:

While there is some utility in having this search and rescue tool, for the cost and associated training requirements, there are other tools that should be invested in that would be used more frequently and help the department on a broader scale. Search and rescue efforts are minimal for our department and remain the jurisdiction of the State Troopers. Thermal imaging of burning buildings could be helpful, however our risk management to date has been effective absent a drone. The planning departments benefits could be met at a much lower cost. This request is for a very high end and expensive drone.

This amendment leaves the Police Reserves account intact, est. 2017 yearend balance of \$269,103

Requested By: _____
Councilmember Smith

Prepared By: _____
City Manager

City of Homer
2018 Capital Budget

2018 Proposed Budget Amendment Form

Fund Name: General Fund - 100

Project Name: Reduce funding for design of City Hall roof from \$25,000 to \$15,000

Account #	Account name	Page #	Increase	Decrease	Balance
156-0384-5903	City Hall Reserves	172		\$10,000	\$15,000

Rationale:

This amendment reduces the amount available to design a new roof from City Hall from \$25,000 to \$15,000.

Requested By:
Councilmember Erickson

Prepared By:
City Manager

