



# City of Homer

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

## Office of the City Manager

491 East Pioneer Avenue  
Homer, Alaska 99603

[citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

(p) 907-235-8121 x2222

(f) 907-235-3148

### Memorandum

TO: Mayor Castner and Homer City Council  
FROM: Rob Dumouchel, City Manager  
DATE: November 5, 2020  
SUBJECT: City Manager's Report for November 9<sup>th</sup> Council Meeting

#### **Fiscal Year Change Update**

The Finance Director, City Attorney, and myself have held multiple meetings to discuss the process and identify any potential challenges or pitfalls to changing the City's current fiscal year structure. After receiving some input from the public accountant firm Porter & Allison, we were able to narrow in on a key component of how to move forward (18 month FY20 vs. 6 month FY21). At this time, it appears that a truncated FY21 (January to June 2021) will be the best path for our organization. Director Walton has worked up a tentative timeline and we're working with staff, vendors, and consultants to get a clear view of what help may be available and how much it would cost to engage. We are planning to bring action items related to this issue to the November 23<sup>rd</sup> Council Meeting.

#### **Community Recreation Sports Equipment Lending Library Pilot Project**

Community Recreation Manager Illg, with assistance from Library Director Berry, is evaluating the feasibility of community recreation sports equipment lending library pilot project. I think this is an exciting concept that could give members of our community access to new recreational opportunities during the winter and beyond. Individuals or organizations who may have sporting equipment to donate to a lending library are encouraged to contact Mike Illg at [Mlllg@ci.homer.ak.us](mailto:Mlllg@ci.homer.ak.us) or 235-6090.

#### **GFOA Budget Award Follow Up**

As a follow up to the notice of the GFOA Budget Award last month, please see a memo and supporting materials attached to this report which provide more information related to the comments from GFOA.

#### **Welcome to New HPD Officer Charles Lee**

Officer Lee comes to us after a 2 ½ year stint with the Unalaska Police Department and five years with the Kenai Police Department. Officer Lee holds bachelor's degrees in Criminal Justice and Psychology. He also has an advanced certificate from the Alaska Police Standards Council and approximately 2000 hours of law enforcement related training.

### **COVID-Related Updates**

#### **COVID Emergency Declaration Information**

While it remains uncertain if the Governor will extend the State's emergency declaration (on November 4<sup>th</sup> the Mayor and I attended a meeting via conference call with State officials who remain noncommittal on the

matter), questions remain as to how continuing to have an emergency declaration impacts the City. I was not able to give a thorough rundown of the pros and cons of having a local emergency declaration at our last meeting. Staff from my office have taken time to research this issue and have provided the following notes in consultation with former HVFD Fire Chief Purcell who has worked many years with FEMA and Derotha Ferraro at SPH for her perspective as a Unified Command partner:

The Disaster Emergency Declaration formally recognizes the presence of COVID-19 in the community and the attendant public health and safety risks of its transmission, including the potential to compromise the provision of essential healthcare and city services. Ending the disaster declaration indicates the COVID-19 pandemic is a normal condition and the City and response partners can handle it with their own resources.

Cons:

1. Closes communication avenues for response. Under a disaster declaration, the City has:
  - A framework for working with community partners to share concerns about the direction the pandemic is taking, anticipating response needs and taking coordinated action to mitigate negative impacts on public health and safety.
  - A framework for local officials to mobilize quickly to respond to an outbreak, support healthcare partners with public information/resource acquisition during crisis situation or to carry out an immunization program.
  - Public educational opportunities which media outlets are offering free of charge and at reduced rates (radio updates, PSAs, etc.)
2. Necessary resources to respond to and recover from the COVID-19 pandemic may exceed the resources available in the City of Homer. Ending the emergency declaration could carry financial implications by closing opportunity for:
  - Financial assistance and/or
  - Other resource assistance through formal resource requests from FEMA, other Federal agencies and the State of Alaska to help meet challenges COVID-19 poses to our healthcare system and our economy. For instance, without an emergency declaration it is hard to make a case for resource assistance or reimbursement for City personnel response costs incurred for a prolonged amount of time that are associated with COVID-19. Currently the Federal public health emergency is extended to January 21, 2021, unless an earlier termination date is announced or a further extension is granted.
3. Sends a mixed message to public, potentially undermining efforts to:
  - Inform and encourage public participation in health and safety mitigation measures
  - Implement City department/facility contingency of operations plans aimed at protecting staff health and insuring continued provision of city services.

Pros:

1. Allows reassignment of personnel time which has primarily been responding to the pandemic, i.e. PIOs and Incident Commander.
2. Minus a State disaster declaration, the AK Department of Health & Social Services or other state agencies may have their own authority to provide assistance to communities regardless of a local disaster declaration, so some assistance with COVID-19 response may continue.

### **Change in City COVID Risk Level**

Beginning October 29<sup>th</sup>, I transitioned the City organization to the “Orange” risk level. This change was made based on an analysis using the risk assessment framework presented as part of my CM Report on October 12<sup>th</sup>. As a result we returned to an alternative service delivery program for the Library, suspended in-person recreation at the HERC, and reverted to an intercom system at the public door of the Harbormaster’s Office. Voting continued without modification or interruption. We also recommitted to COVID best practices like face coverings and social distancing. I will continue to work with staff to re-evaluate our COVID risk level as our local context continues to evolve.

### **COVID Conflict**

Prior to shifting to an “Orange” risk level, some of our facilities were seeing increased conflict with members of the public who were not willing to adhere to the rules within City facilities. My office has initiated outreach to groups that can help us with de-escalation training for public facing employees. I hope to select a provider and offer this training in the very near future.

### **Homer Airport Terminal Update – COVID Adaptation**

In anticipation of flights being offered out of the Homer Airport Terminal once more, staff met to discuss COVID conscious protocols for the terminal building. These protocols include: requiring the use of masks while at the terminal; encouraging the public to wait in their cars prior to a flight or picking someone up; spacing out seating to encourage social distancing if someone must wait in the terminal; and providing hand sanitizer, among other practices implemented as COVID mitigation measures. Staff have yet to receive notice from RAVN concerning when they plan to take flight out of Homer. According to the company’s FAQ webpage (<https://ravnalaska.com/faq>), RAVN hopes to “return to flight in Alaska, hopefully by mid-November.” RAVN will be requiring all customers to wear face masks while on board flights and every plane will be sanitized prior to customers entering for their flight.

Enclosures:

1. GFOA Update: Memo and Supporting Materials



# City of Homer

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

Finance Department

491 East Pioneer Avenue  
Homer, Alaska 99603

[finance@cityofhomer-ak.gov](mailto:finance@cityofhomer-ak.gov)

(p) 907-235-8121

(f) 907-235-3140

## Memorandum

TO: Mayor Castner and Homer City Council  
THROUGH: Rob Dumouchel, City Manager  
FROM: Elizabeth Walton, Finance Director  
DATE: November 4, 2020  
SUBJECT: GFOA Distinguished Budget Presentation Award

---

The Finance Department received official notice on October 14, 2020 that the City of Homer received the GFOA Distinguished Budget Presentation Award for our FY20/21 Budget.

The department received a packet of information from GFOA that included: a confirmation letter, a press release template, an award to be included in our next budget document, and a completed rating form with accompanying commentary. This packet of information is attached with this memo.

The most informative portion of this packet is the rating form and accompanying commentary. Three separate people reviewed our budget document and assigned a rating to each of the categories. This rating form allows us to easily identify the weakest areas in our budget document. Those areas needing the most attention are “Strategic goals and strategies”, “Long-range financial plans”, and “Impact of capital investments on operating budget”. The lone area where the City received an outstanding rating is “Fund balance”.

### Strategic Goals and Strategies:

City Administration spent a significant amount of time during the last budget cycle identifying strategic goals and priorities for each of the city departments. Per included commentary, the City budget could benefit from “providing long-term, entity wide strategic goals”.

### Long-Range Financial Plans:

There is a requirement that “long range financial plans be identified for at least two years beyond the budget year”. We are lacking in this area. “Any impacts of the long range plan on the current budget” should also be noted.

### Impact of Capital Investments on Operating Budget:

Per commentary, more information should be given about the potential impacts on the operating budget that are associated with nonrecurring capital maintenance costs.

October 14, 2020

Elizabeth Walton  
Finance Director  
City of Homer  
491 E. Pioneer Ave.  
Homer, AK 99603

Dear Ms. Walton:

We are pleased to inform you, based on the examination of your budget document by a panel of independent reviewers, that your budget document has been awarded the Distinguished Budget Presentation Award from Government Finance Officers Association (GFOA) for the current fiscal period. This award is the highest form of recognition in governmental budgeting. Its attainment represents a significant achievement by your organization.

The Distinguished Budget Presentation Award is valid for two years. To continue your participation in the program, it will be necessary to submit your next biennial budget document to GFOA within 90 days of the proposed budget's submission to the legislature or within 90 days of the budget's final adoption. A Distinguished Budget Program application is posted on GFOA's website. This application must be completed and accompany your next submission. (See numbers 12 and 13 on page 2 of the application for fee information and submission instructions.)

Each program participant is provided with confidential comments and suggestions for possible improvements to the budget document. Your comments are enclosed. We urge you to carefully consider the suggestions offered by our reviewers as you prepare your next budget.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. Enclosed is a Certificate of Recognition for Budget Preparation for:

**Finance Department**

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive an award plaque that will be mailed separately and should arrive within eight to ten weeks. Also enclosed is a camera-ready reproduction of the award for inclusion in your next budget. If you reproduce the camera-ready image in your next budget, it should be accompanied by a statement indicating continued compliance with program criteria.

The following standardized text should be used:

Elizabeth Walton

October 14, 2020

Page 2

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Homer, Alaska**, for its Biennial Budget for the biennium beginning **January 1, 2020**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

A press release is enclosed.

Upon request, GFOA can provide a video from its Executive Director congratulating your specific entity for winning the Budget Award.

We appreciate your participation in this program, and we sincerely hope that your example will encourage others in their efforts to achieve and maintain excellence in governmental budgeting. The most current list of award recipients can be found on GFOA's website at [www.gfoa.org](http://www.gfoa.org). If we can be of further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in black ink that reads "Michele Mark Levine". The signature is written in a cursive, flowing style.

Michele Mark Levine  
Technical Services Center

Enclosure

**FOR IMMEDIATE RELEASE**

October 14, 2020

**For more information, contact:**

**Technical Services Center**

**Phone: (312) 977-9700**

**Fax: (312) 977-4806**

**E-mail: [budgetawards@gfoa.org](mailto:budgetawards@gfoa.org)**

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that **City of Homer, Alaska**, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as:

- n a policy document
- n a financial plan
- n an operations guide
- n a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to **Finance Department**.

There are over 1,600 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

*Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 20,500 members and the communities they serve.*



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Homer**

**Alaska**

For the Biennium Beginning

**January 1, 2020**

*Christopher P. Morill*

Executive Director



**BUDGET REVIEW COMPOSITE RATING FORM**  
**GFOA Distinguished Budget Presentation Awards Program**

Agency: **Homer, AK**

Fiscal Year beginning: **January 2020**

Document number: **B9942545**

At least 2 of the three reviewers must rate the document "proficient" or "outstanding" on all four overall categories and all mandatory criteria in order for the document to receive the award

Information Not Present (1)			Does Not Satisfy (2)			Proficient (3)			Outstanding (4)			
R1	R2	R3	R1	R2	R3	R1	R2	R3	R1	R2	R3	
												<b>Introduction and Overview</b>
			✓	✓	✓	✓	✓	✓				* C1 Table of contents (mandatory)
						✓	✓	✓				P1 Strategic goals & strategies
						✓	✓	✓				P2 Short-term organization-wide factors influencing decisions
						✓	✓	✓				* P3 Priorities and issues (mandatory)
						✓	✓	✓				* C2 Budget overview (mandatory)
												<b>Financial Structure, Policy, and Process</b>
						✓	✓	✓				* O1 Organizational chart (mandatory)
						✓	✓	✓				F1 Fund descriptions and fund structure
						✓	✓	✓				O2 Department/fund relationship
						✓	✓	✓				F2 Basis of budgeting
						✓	✓	✓				* P4 Financial policies (mandatory)
						✓	✓	✓				* P5 Budget process (mandatory)
												<b>Financial Summaries</b>
						✓	✓	✓				* F3 Consolidated financial schedule (mandatory)
						✓	✓	✓				* F4 Three (four) year consolidated & fund financial schedules (mandatory)
						✓	✓	✓	✓			* F5 Fund balance (mandatory)
			✓	✓	✓	✓	✓	✓				* F6 Revenues (mandatory)
												F7 Long-range financial plans
												<b>Capital &amp; Debt</b>
	✓	✓	✓			✓	✓	✓				* F8 Capital expenditures (mandatory)
						✓	✓	✓				F9 Impact of capital investments on operating budget
						✓	✓	✓				* F10 Debt (mandatory)
												<b>Departmental Information</b>
						✓	✓	✓				* O3 Position summary schedule (mandatory)
						✓	✓	✓				* O4 Department descriptions (mandatory)
						✓	✓	✓				O5 Unit goals and objectives
				✓		✓	✓	✓				O6 Performance measures
												<b>Document-wide Criteria</b>
						✓	✓	✓				C3 Statistical/supplemental section
						✓	✓	✓				C4 Glossary
					✓	✓	✓	✓				C5 Charts and graphs
						✓	✓	✓				C6 Understandability and usability
												<b>Overall</b>
						✓	✓	✓				<b>Overall as a policy document</b>
						✓	✓	✓				<b>Overall as a financial plan</b>
						✓	✓	✓				<b>Overall as a operations guide</b>
						✓	✓	✓				<b>Overall as a communications device</b>

**N** Special Capital recognition (three "outstanding ratings on F8 and F9)  
**N** Special Performance Measure recognition (three "outstanding" ratings on O6)

**GOVERNMENT FINANCE OFFICERS ASSOCIATION  
DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM  
BUDGET REVIEWER'S COMMENTS AND SUGGESTIONS**

**FOR: CITY OF HOMER, AK**

**YEAR: 2020-2021**

**INTRODUCTION AND OVERVIEW:**

The Table of Contents is included.

Strategic goals and strategies does not meet the criterion. This criterion relates to the long term, entity wide, strategic goals that provide the context for decisions within the annual budget. Consider including action plans or strategies on how the goals will be achieved. Refer to GFOA's best practice on Establishment of Strategic Plans.

Budget message is included and informative.

**FINANCIAL STRUCTURE, POLICY, AND PROCESS:**

Organization chart is included.

The description of funds is included.

Consider adding a matrix to explain the department / fund relationship.

Expand your Financial Policies. Refer to GFOA's best practices on Adopting Financial Policies.

**FINANCIAL SUMMARIES:**

Consolidated financial schedules are included and include the requisite years.

Expand the section on Revenues – include methods used to estimate revenues for the budget year – trend analysis, assumptions, etc.

Presentation of long range financial plans does not meet this criterion. This criterion requires the identification of long range financial plans that extend at least two years beyond the budget year. The impacts of the long range financial plan on the current budget and future years should be noted. Refer to GFOA best practices on Long Term Financial Planning.

**CAPITAL & DEBT:**

A presentation of Capital expenditures is included.

The impact of capital improvements on the operating budget does not meet the criterion. Anticipated operating costs associated with significant nonrecurring capital maintenance costs or additional utility costs should be included. Anticipated savings or revenues

**GOVERNMENT FINANCE OFFICERS ASSOCIATION  
DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM  
BUDGET REVIEWER'S COMMENTS AND SUGGESTIONS**

**FOR: CITY OF HOMER, AK**

**YEAR: 2020-2021**

**CAPITAL & DEBT: (continued)**

expected to result from significant nonrecurring capital expenditures should be described and quantified such as reduced utility costs and lower maintenance costs

Debt information is included

**DEPARTMENT INFORMATION:**

The Position summary schedule is included.

Unit goals and objectives are included.

Performance measures do not meet the criterion. Performance measures should include the outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of those units. The measures should be related to the mission, goals, and objectives of each unit. Include information for at least three years – the prior year actual, current year estimate or budget and budget year. Refer to GFOA's best practice on A Systematic Approach to Managing Performance and Performance Management for Decision Making.

**DOCUMENT WIDE CRITERIA:**

Interesting and informative statistical information.

A glossary is included.

Document includes relevant charts and graphs.

Format all pages in portrait mode.

Reviewer I.D. # R909

**Reviewer ID:** T062  
**Name of Entity:** City of Homer  
**Record Number:**

**Document Number:** B994  
**State/Province:** AK  
**Order Rec'd Number:**

**Comments**

- \* **C1**      Pagination on pdf does not match document.
- P1      Strategic goals are not clear
- P2
- \* **P3**      Additional information on local economy and legislative considerations would be helpful.
- \* **C2**
  
- \* **O1**      Present on one page, if possible, even if page is landscape in document.
- F1
- O2      Consider a high-level chart showing funds and departments
- F2
- \* **P4**      Not clear if both sections are considered financial policies or just those in code
- \* **P5**
  
- \* **F3**      Clearly presented in tables--charts should be shown as landscape in document
- \* **F4**      Presentation of previous biennium meets this criterion.
- \* **F5**      Fund balance and policy are both shown on p. 52--outstanding.
- \* **F6**      Trend data on revenue sources would be helpful
- F7      Long-term projections for both operating and capital are needed to meet this criterion.
  
- \* **F8**
- F9      Information should be provided for individual projects.
- \* **F10**     Good information--see previous comments on formating.
  
- \* **O3**      Consider rounding to nearest tenth.
- \* **O4**      Good format for department pages.
- O5      Objectives should be measureable and clearly linked to strategic goals.
- O6      Keep working on measures--some are much stronger than others.
  
- C3      City Profile information (pp 36-7) well presented.
- C4      Good, thorough glossary--consider separate acronym list
- Good number of charts with informative content, but they are often not presented in landscape so they can be viewed easily by the reader.
- C5
- C6

**OVERALL:** Budget contains good information. Additional work on strategic goals, measures and long-term financial planning will help ensure that policy makers understand the direction in which the city is headed. Keep up the good work.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION**  
**DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM**  
**BUDGET REVIEWERS COMMENTS AND SUGGESTIONS**

For: City of Homer AK  
Fiscal Year: 2020/2021  
Reviewer: T288  
Document Number: B9942545  
Order Received Number: 85623001

**Introduction and Overview**

There was little discussion of organization wide strategic goals or priorities that addressed long term goals. You did a good job discussing short term goals but there was a lack of any discussion how this fits in with the city's goals and mission statement.

**Financial Structure, Policy, and Process**

There was a good description and discussion of financial policies, and I liked the budget calendar, but I would have preferred that the budget calendar on page 41 was closer to the narrative on page 23.

**Financial Summaries**

The financial summaries covered the required years. Too many of the charts and tables were oriented the wrong way so that it was difficult to read on-line. This was very distracting and made the charts unusable.

**Capital and Debt**

Capital expenditures were shown, I would put more into the description so it would be clear why it is a capital project and not operating.. There was nothing about the impact on operations for the capital expenditures you had, nothing about any anticipated savings or increased costs that would result from the investments in capital.

**Departmental Information**

The performance measures were shown in separate tables and were clear and focused on results and accomplishments.

**Document-wide Criteria**

This was a good first submission, and the budget book will be greatly improved by only minor changes in the budget calendar, overview of the budget process, financial policies, operating impact of capital investments, and easier readability of the charts and graphs.