

HERC SCOPING

Part B: Funding – Framing Project Expectations

May 2022

SCOPING PHASE

- Funding Plan
- Frame Expectations

Mission

To provide a safe space for community recreation for all ages in Homer and to promote quality of life for all seasons.

Goals

To be a service hub for City programs and facility rentals, and offer quality programs by local instructors to enrich economic growth.

- ❖ Education Programs
- ❖ Recreation Programs
- ❖ Community Events
- ❖ Special Events



Decision Points
lead to a
Resolution
of Council
stating intent
for next steps

Considerations

1. What is the Construction budget?
2. How will we right size the building?
3. What's the level of service?
 - (Operations + Maintenance)
4. What grants to pursue?
5. Timeframe?

Capital Costs 20 yr bond

- How large a bond?
- How will we refine the project to fit the bond?

Bond debt	Projected Debt Service
\$1 M	80,000
\$5 M	400,000
\$10 M	800,000
\$15 M	1,200,000
\$20 M	1,600,000

0.3% sales tax generates about \$820,000 a year

Increased
Sales Tax

Bed Tax

Other Options



Increased Sales Tax Cap:

- Increase the Cap from \$500 to \$1000
- 2017 estimate: \$358,000
- Ordinance introduction at KPB in June?



Bed Tax:

- Requires KPB action
- Could require a Homer vote
- Could require City to collect the tax
- 2017 estimate 4% = \$500,000-\$580,000



Survey Results (rounded results)

- Property Tax 15%
- Sales Tax 24 %
- Other Tax 10 %
- Reappropriate current funding 29%
- Don't fund 6%
- Not sure 16%

Service Area: requires a yes vote of residents in the service area.

Facility
+
Service

Expectations

Does fiscal reality match building & programming expectations?

It would be terrible to build a building and have it underutilized because we did not understand and plan enough for operations. We've never had a dedicated city rec facility of this scale and we have no track record for staffing or hours of operations... or the new opportunities we can't foresee.

- Current Electric + Heating oil costs averaged \$34,000/yr for both buildings over the past 5 years
- We already mow the lawn
- Janitorial and Building Maintenance would increase

Facility & Program Management Personnel

Business Model & Plan

A facility will accommodate more programs, which requires additional personnel and operational support services.

Personnel

- Facility Manager
- Program Manager
- Program Assistant
- Operations Management:
 - Building Maintenance
 - Grounds Maintenance

Job Functions

3.5 FTE

\$375,000

Facility Manager: Schedules events; manages rental program for facility and City park sites, works to attract larger scale events to use facility; maintains overall calendar; Office management: administers contracts, collects and reports fees, maintains and develops user database; develops promotional materials for programs; coordinates marketing activities for programs through various media outlets.

Program Manager: Coordinates program schedule with instructors, liaison with schools and outside stakeholder groups such as the Friends of the Skate Park and other recreation entities with MOUs with the City; develops new user groups and instructors; collaborates with facility manager for overall cohesiveness.

Program Assistant (2): Assists Facility Manager and Recreation Program Manager as needed with program and event management; arranges set-up, tear-down and clean up before, during and after events; Office: processes user fees, maintains user database; ensures quality customer service at front desk.

Operations Management: Overall facility maintenance, janitorial service and grounds maintenance. Examine current plan and add for janitor and more facility maintenance time.

Funding Opportunities

Where should staff put their time?

- **EPA Brownfield Grant**
 - Great opportunity on a few levels, but may not lead to complete design documents
 - Takes staff time + capacity
 - Requires RFP SOON for professional service
- **EDA**
- **Murkowski/Federal opportunities**

Timeframe

1 year
design

+

education

+

vote

2 years
construction



Estimate: Police station bond will be fully funded in 2025.

- The .3% sales tax will automatically sunset.

Discussion Points:

End Goal:
*Council Resolution
outlining the
answers to these
questions.*

What is the budget?

- What is the maximum bond, with the expectation of grant applications and other fundraising?

How will we right size the building?

- Public input via charrettes?

What's the level of service?

- How many hours per day, days per week?
- How many FTE's added?

What grants to pursue?

- Pursue EPA Brownfields funding? Yes or no?

Timeframe?

- There are items such as moving staff in prep for demolishing the old buildings that take time/administration