



City of Homer

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Finance Department

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Memorandum 19-099

TO: Mayor Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: August 7, 2019
SUBJECT: 2019 Mid-Year Budget Amendments

The purpose of this memo is to provide additional discussion on the proposed 2019 mid-year budget adjustments.

Based on policy perspective, management decided to allow certain line items to nominally run over the budgeted amount. We are pushing truth in reporting (transparency) and making sure that the budgeted amounts are in line with actual costs, so therefore we would rather a department go over in a line item than “hide” those costs in another line to stay within budget. These overruns are offset with an expected underage in another line item within the same “department” budget. Thus, there was no need to include these requests in the budget amendment ordinance. These overruns are detailed below:

- Police Administration (100-0160):
 - **Request Language:** The Police Department hired a new police officer this year that had to attend the police academy in Sitka. In years past all academy training was paid for by the Alaska Police Standards Council. The council can no longer afford to pay any academy training costs. The cost for sending one officer to the academy is approximately \$15,000 which is over half of our approved employee training budget. Despite reducing employee training to help offset the academy costs we still have other training needs and requirements to fill this year. We are requesting to transfer \$8,000 from 100.0163.5101, (Wages-Regular), to 100.0160.5603, (Employee Training), to adequately cover our police officer training costs. The funds in our budget line item for wages are available due to a police officer position being vacant for several months.
 - **Administration Decision:** Due to the size of this request being within City Manager authority, administration felt it more appropriate to overrun the Training line item and come in under budget in the Regular Wages line. Overall, the Police Administration budget will remain within the adopted amount.

- Public Works – Motor Pool (100-0176):
 - **Request Language:** The Fire Department vehicles have had to have some extra attention in 2019. Outside personnel was brought in to do some of the additional work early in the year to get some equipment fully operational. And, a large purchase was just made to get Engine 4 operational. This was a purchase of a \$5,500 turbo so that the engine could operate as required to function the pumps. This purchase will exceed the budget line item by about \$300. Requesting an adjustment of \$5,900 will provide 38% of the normal budget with approximately 42% of the year remaining.
 - **Administration Decision:** Due to the size of this request being within City Manager authority, administration felt it more appropriate to overrun the Fire Motor Fuel line item and stay within the overall bounds approved in the Motor Pool adopted budget.
- Port and Harbor – Harbor Maintenance (400-0611):
 - **Request Language:** 400-0611-5207 is a combined expense account for all the port and harbor rolling stock. Early in 2019 we had to replace the engine in patrol truck 429 and the cost overrun in the port maintenance-vehicle boat maintenance account is due to that unexpected engine failure. This reimbursement should come from the port and harbor fleet reserves 452-0374 account. The requested additional funding totaled \$9,000.
 - **Administration Decision:** Due to the size of this request being within City Manager authority, administration felt it more appropriate to overrun the Vehicle/Boat Maintenance line item and stay within the overall bounds approved in the Harbor Maintenance adopted budget.