



City of Homer

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Finance Department

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Memorandum 20-012

TO: Mayor Castner and Homer City Council
THROUGH: Katie Koester, City Manager
FROM: Jenna deLumeau, Acting Finance Director
DATE: January 6, 2020
SUBJECT: Capital Project Funds (151, 215, and 415) Cleanup – Part 2

This memo is a supplement to Memo 19-155 and provides the details of the additional projects reviewed since the previous memo was issued that Finance would like to close under Ord 19-57.

Projects Closed Under Existing Authorization:

General Fund

- 151-0736 – Fire Small Grants – completed 2007
 - Balance (~~\$14,890.40~~) \$7,390.40
 - This project belongs in Fund 157; Finance corrected beginning balance and moved to correct Fund/project.
- 151-0785 – 2004 Homeland Security (Fire) – completed 2005
 - Balance (\$5,557.91)
 - This was a coding error. Posted to correct account (151-0375)
- 151-7004 – Frisbee Ct Paving SAD – bulk of work completed 2017
 - Balance (\$175,041.93)
 - Missing 75% City share per Reso 17-017; Transfer funds from HART.

Port and Harbor Fund

- 415-0921 – DWD Expansion Improvements – completed 2018
 - Balance (\$864.88)
 - Close small difference by transfer from Port Reserves.

Additional Projects Needing Council Authority to Close:

General Fund

- 151-0275 – Special Fund – last activity 2012
 - Balance \$924,403.63
 - Finance thoughts: This “project” was established as a “loan” account for general fund projects. This “project” would essentially loan money to various other projects if they were lacking a funding source. Ord 04-24(A) references the use of this fund for the Animal Shelter project (151-0728). Ord 05-28 references use of this fund for the library (151-0722). There has been no activity on this project since 2012, so we are clearly no longer using this fund for its original intent.
 - Finance recommendation: Disband it – by transferring the funds to General Fund fund balance.
- 151-0718 – Homer Energy Audits – last activity 2012
 - Balance \$95,230.00
 - Finance thoughts: Ord 10-28(S) accepts and appropriates a grant of \$227,800 for energy efficiency and conservation measures. There is an additional transfer of funding from a variety of funds (revolving energy loan fund, sewer reserves, and port reserves) totaling \$619,267. These Energy Projects came in under budget.
 - Finance Recommendation: Transfer excess funds back to the original sources in same proportion.
- 151-0721 – Consortium Library – last activity 2013
 - Balance \$110,436.44
 - Finance thoughts: This project was the old library reserves.
 - Finance Recommendation: Transfer funds to Library Reserves.
- 151-0722 – Library Building – last activity 2015
 - Balance \$14,880.74
 - Finance thoughts: This project was to record revenues and expenditures associated with the library expansion, move and construction of the new building. Both revenues and expenditures came in slightly under budget.
 - Finance Recommendation: Transfer funds to Library Reserves.
- 151-0723 – Library Expansion – last activity 2002
 - Balance \$40,574.95
 - Finance thoughts: This project was designed for library expansion prior to 2002.
 - Finance Recommendation: Transfer funds to Library Reserves.
- 151-0728 – Animal Shelter – completed 2006
 - Balance \$45,227.62
 - Finance thoughts: This project was for the construction of the animal shelter.
 - Finance Recommendation: Transfer funds to Animal Shelter Reserves.

- 151-0735 – Jack Gist Park – completed 2007;
 - Finance Thoughts: \$169k of City match authorized per Ord 00-57, but no funding source referenced other than “in kind” amounts of materials and labor.
 - Balance (\$89,757.14)
 - Finance Recommendation: Transfer funds from General Fund fund balance.
- 151-0741 – Ocean Drive Bluff Erosion – last activity 2007
 - Balance (\$501,713.64)
 - Finance thoughts: These expenditures represent assessments owed to the City for construction of the seawall.
 - Finance Recommendations: Transfer to fund 173 Seawall Assessments.
- 151-0776 – Karen Hornaday Park Improvements Phase I – bulk of work completed 2014
 - Balance (\$12,292.55)
 - Finance Thoughts: local match was short in addition to the grantor had fees that were not included in the project budget. Match was funded by General Fund per Ord 13-39.
 - Finance Recommendation: Transfer funds from General Fund fund balance
- 151-7002 – Waddell Way Road Improvements – bulk of work completed 2016
 - Balance (~~\$31,583.61~~) \$39,241.97
 - Finance Thoughts: Finance corrected cabin proceeds per Ord 15-30. This put the project under budget.
 - Finance Recommendation: Transfer excess back to HART per Ord 15-30.
- 156-0377, 156-0376, 156-0378 – Public Safety, Fire Upgrades, Proposed Police design–
 - Balances (\$322,588.88), \$215,515.60, and \$87,271.10 respectively
 - Finance Thoughts: These projects were set up prior to what evolved into the New Police Station. They were set up in the wrong fund; they should have been issued a project account number not a reserve account number. These individual Project balances are off due to authorized transfers into each other. These three projects combined are over spent (including transfers) by \$19,802.18.
 - Finance Recommendation: Net these three projects along with a transfer \$19,802.18 from General Fund fund balance to close projects.

Water/Sewer Fund

- 215-0835 – Water System Distr/Storage Imp – completed 2014
 - Balance \$21,077.88
 - Finance Thoughts: The match transferred from HAWSP more than authorized.
 - Finance Recommendation: Transfer back to HAWSP.
- 215-0859 – E End Road W/S Expansion – completed 2006
 - Balance (~~\$524,613.79~~) \$507,997.00
 - Finance Thoughts: This project contained the revenue for four other projects. The projects were closed with HAWSP funds.
 - Finance Recommendation: Transfer funds back to HAWSP
- 215-0865 – Design Water Treatment Plant – completed 2011
 - Balance \$427,556.51

- Finance Thoughts: There were various changes to the match percentage throughout the different portions of the project mandated by the Grantor. This resulted in excess HAWSP funds transferred to the project.
- Finance Recommendation: Transfer funds back to HAWSP.

Port and Harbor Fund

- 415-0910 – Reimbursement Billings for Damages – completed 2013
 - Balance (\$51,823.14)
 - Finance thoughts: This project was established to record repair costs associated with damages experienced to the ferry dock- there were different projects through the years posted here. This represents the difference between reimbursements and expenditures over the years.
 - Finance Recommendation: Transfer funds from Port Reserves.
- 415-0920 – Homer Small Boat Harbor Floats (Denali Commission) – completed 2015
 - Balance (\$1,581,953.47)
 - Finance thoughts: This project was established to record grant revenue, bond revenue, city match funds and expenditures associated with the small boat harbor floats. \$1,564,478.60 of Bond Revenue received did not get coded directly to the project. Project was over budget \$17,474.87
 - Finance Recommendation: Transfer from \$1,581,953.47 from Port Reserves.
- 415-0931 – Harbor Restrooms/Shelter/Guard Shack – completed 2016
 - Balance \$129,223.09
 - Finance Thoughts: This was part of the \$6 mill Cruise Ship Project involving 4 projects and spanning 5 years. The other projects are closed. This balance represents part of the local match.
 - Finance Recommendation: Transfer back to Port Reserves.

Next steps for project close out procedures:

Finance and the Project Manager will meet quarterly for project status updates as well as project start up and close out. We are now keeping an active list of projects; which will assist in recognizing what is winding down and being closed. We had one project status meeting already and that alerted us to some tasks that needed to be addressed with the Ramp 2 Restroom as it is being completed. The Project Manager will now send the project close-out form to Finance when a project is complete. The grant administrator, the accounting supervisor, and the Finance Director will have to review the project and make sure ALL aspects are complete. The City Manager will then receive the project close out report. Council will get a project status report annually.

Enc:

Project close out form