



City of Homer

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Memorandum 21-086

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: May 24, 2021
SUBJECT: Ord 21-30 – Transferring Account Allowances within Fund 156 CARMA

At the May 10th Council meeting, various solutions to a negative balance within the General Capital Asset Repair and Maintenance Allowance (CARMA) Fund's general subaccount (156-0375) were presented. A resolution sponsored by the Mayor was pulled from the agenda and an ordinance submitted by the City Manager was not introduced. Instead, it was decided that we should attempt to solve this a different way.

I met with the Mayor and we collaborated on a solution which bridges the intent of his original solution with an alternative that I had provided in a memo to Council on May 10th. Ordinance 21-30, which is before Council this evening for introduction, rolls unencumbered funds from the other subaccounts (except for HERC, Fishing Hole, and Seawall) to the general account. This erases the negative balance and creates a new positive balance containing all existing funds available for appropriation to new projects. This action will not disrupt any ongoing projects already approved by the Council.

In the supplemental packet for the May 24th meeting, I am providing a budget memo which includes a first look at Capital Budget information. Council will see that new projects are connected to the general subaccount (156-0375) at this time. This is because the expectation is we will have work session discussions in the future that determine the future usage of CARMA subaccounts, in the meantime Council can choose to use the general subaccount for new activities.

Staff Recommendation: Introduce Ord 21-30