



City of Homer

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Memorandum 21-114

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Janette Keiser, Director of Public Works
DATE: June 21, 2021
SUBJECT: Resolution 20-077(S) – Water/Sewer Reserve Funds

Issue: The City Council asked us to review and make recommendations on how the City's Capital Asset Repair and Maintenance Allowance (CARMA) Funds for the Water and Sewer Utilities should be built and administered. Deliberation on Resolution 20-077(S) was postponed pending this work. We respectfully ask for one more extension.

Background:

We have, with the help of HDR consultants, created a Financial Model, which can be used to make forecasts, run sensitivity analyses and otherwise generate work products to help the City make data-based decisions regarding the financial wherewithal of the City's Water/Sewer Utilities. We have also prepared recommendations regarding the administration of the financial matters of the City's utilities, including the CARMA Fund. These two tasks are intertwined because sensible reserve fund administration is only possible with sensible data-based decision making.

We are finished with the draft work products and would like the opportunity to update the Council on this work before we finalize our recommendations. We are in the process of scheduling a work session with Council to have this discussion.

Recommendation:

That Resolution 20-077(S) be postponed until July 28, to give time for a Work Session about the proposed Financial Model and Recommendations.