



# City of Homer

[www.cityofhomer-ak.gov](http://www.cityofhomer-ak.gov)

Public Works

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## Memorandum 22-064

TO: Mayor Castner and Homer City Council  
THROUGH: Rob Dumouchel, City Manager  
FROM: Jan Keiser, Public Works Director  
DATE: April 7, 2022  
SUBJECT: Appropriation for Charles Street/Bunnell Ave Water & Sewer Special Assessment Districts for City's Share of Costs

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**I. Issue:** The purpose of this Memorandum is to request funding for the Charles Street/Bunnell Avenue Water & Sewer Special Assessment Districts for the City's share of the total project costs.

### II. Background

The City Council created the Charles Way/Bunnell Avenue Water and Sewer Special Assessment Districts (SAD) with the passage of Resolution 22-023 on March 29, 2022. The estimated costs of the work are:

Water SAD	\$525,637
Sewer SAD	<u>\$418,221</u>
Total	\$943,858

The City's portion of costs are:

a. City's 25% of Total Estimated Project Costs:

• Water	\$74,987	
• Sewer	<u>\$104,555</u>	
Subtotal		\$179,542

b. City's 75% Estimated Property Owner Assessment Share:

• Water	\$116,644	
• Sewer	<u>\$165,260</u>	
Subtotal		<u>\$281,904</u>

Grand Total \$461,446

The finances for these SADs are complex. First, the City will receive a Principal Forgiveness Subsidy from the AK Department of Conservation for the water project in the amount of \$225,690. Next, the City will pay cash from the HAWSP Fund, for its 25% contribution as well as a share of the assessments as a property owner. All these factors will be reconciled in the Final Assessment Rolls, which will be computed and submitted for public comment and City Council consideration, probably in early 2023. In the meantime, the City must first pay the total expenses of the improvement projects and a total appropriation of \$943,858 will be needed from the HAWSP Fund for this purpose.

As of the last report, dated July 21, 2021, there was expected to be an ending balance FY22 ending balance of \$3,211,857 in the HAWSP Account, which took into account the City's obligations for the Alder Lane Water and Tasmania Court Water/Sewer Special Assessment Districts.

### **III. Recommendation**

That the City Council appropriate \$461,446 from the HAWSP Fund for the City's portion of the Bunnell Avenue/Charles Way Water and Sewer Special Assessment Districts. An additional appropriation of \$482,412 to make up the balance of the \$943,858 in total costs, will be needed soon.

CITY OF HOMER  
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Bunnell Ave/Charles Way SAD</u>	DATE	<u>03/24/2022</u>
DEPARTMENT	<u>Public Works</u>	SPONSOR	<u>City Manager/PW Director</u>
REQUESTED AMOUNT	<u>\$ 461,446</u>		

DESCRIPTION	<p>The City Council created the Charles Way/Bunnell Avenue Water and Sewer Special Assessment Districts (SAD) with the passage of Resolution 22-017(A). The City's portion of the SAD are as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 40%;">City's 25% of Total Estimated Project Cost</td> <td style="width: 60%;">\$74,987 (water) \$104,555 (sewer)</td> </tr> <tr> <td>City's 75% Estimated Property Owner Assessment Share Total</td> <td>\$116,644 (water) \$165,260 (sewer) \$461,446</td> </tr> </table>	City's 25% of Total Estimated Project Cost	\$74,987 (water) \$104,555 (sewer)	City's 75% Estimated Property Owner Assessment Share Total	\$116,644 (water) \$165,260 (sewer) \$461,446
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City's 75% Estimated Property Owner Assessment Share Total	\$116,644 (water) \$165,260 (sewer) \$461,446				

FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	100%	0%	0%	0%	0%

FUNDING SOURCE 1: HAWSP	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 3,786,344</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 1,252,370</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 461,446</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 2,072,528</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____