



MEMORANDUM

Ordinances 23-29 through Ordinance 23-33 FY24/25 Small Works Overview

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: 18 May 2023
From: Robert Dumouchel, City Manager

At our last meeting, there were some questions and confusion around the ordinances creating new small works projects sub-accounts within HART Roads and Trails (Ordinances 23-29; 23-30; 23-31; 23-32; 23-33). The inspiration for these ordinances come from a couple different directions:

1. Some members of Council and the Mayor have indicated an interest in making the upcoming two-year budget as complete as possible to minimize out-of-budget appropriations. Because we have a certain amount of “known unknowns” when it comes to public works, these small works accounts set aside money we expect to spend for projects that have not yet been determined.
2. The existing small works have been great in theory, but difficult to administer. This new approach is an attempt to smooth out the administrative challenges and make the programs more transparent.

Below is an overview of the previously-approved small works programs and the proposed funding amount for FY24/25. Note that there is a significant decrease in the Small Works Road Repair category, that is in part because some of those expenses have been picked up in the Operating Budget.

| Program Title | Ord | Fund | Budget | Spent | Remaining* | FY24/25 Proposal |
|--|----------------------------|-------------|---------------|--------------|-------------------|-------------------------|
| <i>Small Works Road Repair Program/ IDIQ</i> | 22-69, 22-27, 21-36, 20-33 | HART Roads | \$705,137 | \$455,919 | \$249,218 | \$100,000 |
| <i>Non-Motorized Transportation Opportunity Fund</i> | 22-25 | HART Roads | \$750,000 | \$72,208 | \$674,792 | \$500,000 |
| <i>Small Works Pest Management Program</i> | 21-60 | HART Roads | \$25,000 | \$5,646 | \$19,354 | \$20,000 |
| <i>Small Works Trails Maintenance Program</i> | 22-28, 21-36(S-2)(A) | HART Trails | \$76,803 | \$7,295 | \$69,508 | \$100,000 |
| <i>Non-Motorized Transportation Opportunity Fund</i> | 22-25(A) | HART Trails | \$100,000 | \$12,360 | \$87,640 | \$100,000 |

*Ordinance 23-23 would roll the remaining amounts back to HART and then create new small works subaccounts

At the previous Council meeting when the relevant ordinances were introduced, there was some question as to why have these at all if staff will be coming for appropriations from Council whenever we need to use the funds. That's a great question, here's the logic:

If Council wants to minimize unplanned spending, but we don't have the specific projects ready to go at the beginning of a biennium, the best we can do is program funds for future use. Setting aside these dollars should make it clear to Councils in the future that ordinances tapping into these subaccounts are "planned" in that we knew we would need them, but the specifics were not known at the time of budget creation.

Staff would not be opposed to rejecting the small works ordinances as long as there was clear understanding among all parties that we will be coming to Council throughout the biennium seeking funds for HART Roads and Trails related projects that would typically be covered by the small works programs that we've been experimenting with since 2021.

Staff Recommendation: Approve ordinances 23-29 through 23-33