



MEMORANDUM

Strategic Planning Session Priorities: Financial Plan

Item Type: Action Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: September 20, 2023
Through: Mayor Castner
From: Councilmembers Lord and Erickson

Background:

During our last strategic planning session, the concept of a “financial plan” was put at the top of the list of priorities. Councilmember Erickson, the Mayor, and I would like to help energize this work and provide staff with specific direction on the next steps to move forward.

This memorandum is aimed at sharing with the Council our ideas at this time, in order to receive feedback and more specific ideas from the full body. From there, our goal is to bring a resolution with specified direction and timeline before Council at our next regular meeting.

- A defined and followed system of regular financial reporting to the Council (i.e. monthly balance sheet)
- Similar to the Utility Fund, full financial policies for the General Fund and Enterprise Fund.
 - Enterprise Fund should start with the Port & Harbor Commission.
 - Note that for the Utility Fund, Council hired a consultant to assist in a full review of the Fund and drafting policies for Council review.
 - This should include:
 - How we budget for projects that we don’t anticipate during the budgeting process (reserve accounts!);
 - How different funds are used and minimum/maximum amounts to target within those funds;
 - How we fund large capital projects, etc.
- Citywide CARMA planning, in line with what Public Works has done for the Fleet, Roads, and Utility.
 - If we are not going to have individual CARMA buckets (i.e. Fire Reserve, Library Reserve, IT Reserve) that we *must* have a way to understand how meeting needs in one department, is going to impact our ability to fund needs in other departments.

- Audit improvements.
 - What are all of the factors leading to the extremely delayed audit reports?
 - What are all of the options for how those could be addressed?
 - This could be something the Council might consider hiring a third party assessment.
- Procurement Policy update - staff is working on this, and it should be included in an overall understanding of how the Council and staff work together to make sure the City runs smoothly and responsibly.

Conclusion:

We thank the Council for thinking about what you need and would like to see, in order to work more transparently with staff, and responsibly execute our financial oversight for the City.