



MEMORANDUM

Finance Champion Report

Item Type: Informational Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: May 28, 2024
From: Council Members Davis and Lord

With direction from Resolution 23-120, we met with the Interim City Manager and Finance Director on Wednesday, May 15 to review goals, priorities, and timelines for financial plan development for the City. This memorandum provides the Council and Mayor with an overview of our conversation, and an opportunity for any questions. Included are a number of items that would be best to line up with the new fiscal year, which makes timing tight.

Procurement Policy

- We are still working on incorporating comments on the revised procurement policy, most recently from the Public Works Director. Ideally we would like to have this before the Council for consideration and discussion in June to be in line with the new fiscal year, but this deadline may slip a bit.

Investment Income Allocation

- Staff is working on developing two ordinances for us to bring before the Council for discussion at our first meeting in June:
 - ADD section in code HCC 3.10 that clarifies the policy. Bond funds must go into a separate account, including arbitrage language.
 - In an amendment to the FY24 budget, re-allocate investment income from past years to provide the police station account with its share of the income, ensuring that any arbitrage is dispensed with appropriately. Additionally, through legislation, establish a new bank/investment account for the police station fund moving forward.

CARMA Sub-Accounts

- We discussed the ordinance that is presented in our packet tonight for introduction.

W/S Rate Setting

- At our last meeting, the Mayor asked us to discuss this with staff following our last worksession on the topic. After reviewing the Council/Mayor conversation that had occurred, the outstanding questions and considerations, and the importance of timing our rate setting with the start of the new fiscal year to align with the budget, we recommended that staff proceed with the "Scenario 1" model - which is no change from the current input structure aside from updating it to the FY25 operating budget.

We did discuss the concept of a minimum monthly fee, and Elizabeth will explore that option within the City's billing software.

Topics that were left unaddressed included continuing the discussion of a minimum monthly fee, monthly service fees, and multi-unit fees. We discussed lift stations and bulk water rates briefly. Staff will bring forward this discussion for more robust consideration beginning in March next year, with the aim of allowing ample time to move through questions before the start of the new fiscal year.