



MEMORANDUM

Ordinance 25-22, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Authorizing an Expenditure of \$10,000 from the Sister City 40th Anniversary Fund to Create the Sister City Program of Homer Field of Interest Fund with the Homer Foundation. Venuti

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: February 12, 2025
From: Lori Pond, Sister City Coordinator
Through: Melissa Jacobsen, City Manager
cc: Caroline Venuti, Councilmember

Background:

The City of Homer has long maintained a commitment to fostering international relationships and cultural exchanges through the Sister City Program. To ensure the long-term sustainability and accessibility of funds for this program, we propose establishing a Field of Interest Fund with the Homer Foundation.

Proposal:

The establishment of an Field of Interest Fund with the Homer Foundation will provide a secure, transparent, and efficient means of managing the Sister City Program's financial resources. This fund will serve as a depository for city contributions as well as private donations from community members and organizations who wish to support the program. Funds will be accessible by grant requests through the Homer Foundation.

Benefits of a Field of Interest Fund:

- **Investment Growth:** The fund will accrue interest, increasing the available resources for the Sister City Program over time.
- **Public Accessibility:** Both the city and the community will have the ability to contribute to the fund, ensuring broad-based financial support.
- **Transparency and Accountability:** The Homer Foundation provides regular reports on fund activity, which will be made publicly available to ensure financial oversight and transparency.
- **Sustainable Financial Management:** The Homer Foundation has a proven track record of managing Field of Interest funds responsibly, ensuring that funds are disbursed appropriately and in alignment with the program's needs.

- **Flexibility in Fund Usage:** The fund can be accessed as needed to support travel, cultural exchanges, events, and other expenses associated with the Sister City Program.
- **Increased efficiency:** By partnering with the Homer Foundation as a fiscal agent, administrative tasks are streamlined, reducing the workload on city staff in the finance, clerical, and administration departments

Account Specifications:

- Field of Interest, non-endowed account
- Initial deposit minimum: \$10,000
- No minimum balance
- Earns interest
- Fee is 1% on average daily balance, billed quarterly
- Funds can be requested by submitting a grant application to the Homer Foundation, with withdrawals requiring city approval. Alternatively, funds can be requested directly from the city.
- Donations to the Sister City Program Fund can easily be made through the Homer Foundation.

Implementation:

- The City will coordinate with the Homer Foundation to establish the Field of Interest Fund.
- Initial contributions will be made from existing city-allocated funds for the Sister City Program.
- Community outreach efforts will be made to encourage public donations.
- Regular reports from the Homer Foundation will be reviewed and presented to the City Council and the public.

RECOMMENDATION:

City Council approve Ordinance 25-22