



# MEMORANDUM

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## Homer Accelerated Roads and Trails (HART) Assessments Fund

**Item Type:** Informational Memorandum  
**Prepared For:** Mayor Lord and City Council  
**Date:** August 20, 2025  
**From:** Elizabeth Fischer, Finance Director  
**Through:** Melissa Jacobsen, City Manager

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### **Fund Overview:**

The Finance Department has been evaluating the City's fund structure and analyzing whether the current structure is most appropriate for current operations. Upon initial review, it was determined to dissect the purpose of the HART Assessments Fund.

The HART Assessments Fund has been reported as a Nonmajor Special Revenue Fund in the City's financial statements and per those statements, "this fund accounts for assessments that have been earmarked for road improvements". This fund has also been communicated in the quarterly financial reports generated by the City's Finance Department. Current fund balance is \$1,237,102.

### **Fund Analysis:**

A relationship exists between the HART Assessments Fund (155) and the HART Roads Capital Project Fund (160). The capital project fund accounts for all expenses associated with individual road projects and the assessments fund accounts for all assessment revenue generated from road SADs. Prior to the beginning of FY25, investment income was also accounted for in the HART Assessments Fund (155). Investment income has since been allocated to HART Roads Capital Project Fund (160).

The HART Policy Manual states that the "program is funded by a portion of dedicated sales tax of up to three quarters of one percent and the collection of assessment payments due from completed projects". Therefore, staff has determined it would be appropriate to combine these two fund balances together when communicating total HART Roads fund balance. Further analysis will be performed to reconcile the balances between the two funds.

### **Staff Recommendation:**

The Finance Department recommends combining the balances of HART Assessments Fund (155) with HART Roads Capital Project Fund (160) to determine overall HART Roads fund balance. This combination would increase the overall fund balance of HART Roads by roughly \$1.2M.

	<b>FY 19 Actual</b>	<b>FY 20 Actual</b>	<b>FY 21 Actual</b>	<b>FY 22 Actual</b>	<b>FY 23 Actual</b>	<b>FY 24 Actual</b>	<b>FY 25 Prelim Actual</b>	<b>FY 26 YTD</b>
Fund 155 - HART Assessments	780,628	878,836	1,001,309	1,047,210	1,131,469	1,218,727	1,273,047	1,273,047
Fund 160 - HART Roads Capital Projects	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081	4,569,284
Fund 160 - HART Roads Capital Projects Match	-	-	-	-	500,000	500,000	500,000	500,000
	<b>6,687,998</b>	<b>7,344,434</b>	<b>7,747,387</b>	<b>7,611,602</b>	<b>6,291,077</b>	<b>6,917,495</b>	<b>6,472,128</b>	<b>6,342,331</b>

Encumbered - HART Roads	3,102,165
<b>Available Balance - HART Roads</b>	<b>2,740,166</b>

<b>Fund 160 - HART Roads Capital Projects Reconciliation</b>	<b>FY 19 Actual</b>	<b>FY 20 Actual</b>	<b>FY 21 Actual</b>	<b>FY 22 Actual</b>	<b>FY 23 Actual</b>	<b>FY 24 Actual</b>	<b>FY 25 Prelim Actual</b>	<b>FY 26 YTD</b>
<u>Beginning Balance:</u>								
HART Roads	6,039,672	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081
HART Roads Match	-	-	-	-	-	500,000	500,000	500,000
<b>Beginning Balance</b>	<b>6,039,672</b>	<b>5,907,370</b>	<b>6,465,598</b>	<b>6,746,078</b>	<b>6,564,392</b>	<b>5,159,608</b>	<b>5,698,768</b>	<b>5,199,081</b>
<b>Revenue</b>								
Sales Tax	1,503,204	1,261,822	740,980	1,652,656	1,694,524	1,713,223	1,695,803	126,451
Remote Sales Tax			-	79,249	111,782	96,366	128,830	22,838
Interest Income	180,137	152,136	(6,132)	(187,901)	91,697	326,181	323,118	8,754
<b>Total Revenue</b>	<b>1,683,341</b>	<b>1,413,958</b>	<b>734,847</b>	<b>1,544,005</b>	<b>1,898,003</b>	<b>2,135,770</b>	<b>2,147,751</b>	<b>158,043</b>
<b>Transfers</b>								
Transfers In	451,393			10,000	500,000		26,029	
Transfer to GF for Roads Maintenance*	(589,843)	(608,810)		(807,065)	(866,100)	(933,347)	(921,823)	
Other Transfers Out	(1,541,981)	-	(272,200)	(170,678)	(680,883)	(46,042)	(168,779)	-
<b>Total Transfers</b>	<b>(1,680,432)</b>	<b>(608,810)</b>	<b>(272,200)</b>	<b>(967,743)</b>	<b>(1,046,983)</b>	<b>(979,390)</b>	<b>(1,064,572)</b>	<b>-</b>
<b>Expenditures</b>								
HART Roads	(20,126)	(128,290)	(182,168)	(757,947)	(2,255,804)	(617,220)	(1,582,866)	(287,840)
HART Roads GF Admin Fees	(115,085)	(118,629)	-	-	-	-	-	-
HART Roads Match	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>(135,211)</b>	<b>(246,920)</b>	<b>(182,168)</b>	<b>(757,947)</b>	<b>(2,255,804)</b>	<b>(617,220)</b>	<b>(1,582,866)</b>	<b>(287,840)</b>
<u>Ending Balance:</u>								
HART Roads	5,907,370	6,465,598	6,746,078	6,564,392	4,659,608	5,198,768	4,699,081	4,569,284
HART Roads Match	-	-	-	-	500,000	500,000	500,000	500,000
<b>Ending Balance</b>	<b>5,907,370</b>	<b>6,465,598</b>	<b>6,746,078</b>	<b>6,564,392</b>	<b>5,159,608</b>	<b>5,698,768</b>	<b>5,199,081</b>	<b>5,069,284</b>
							Encumbered - HART Roads	3,102,165
							<b>Available Balance - HART Roads</b>	<b>1,467,119</b>
Fiscal Year Appropriations - HART Roads	65,097	1,265,000	1,128,910	4,254,772	957,105	2,998,667	2,001,905	125,000
Fiscal Year Appropriations - HART Match	-	-	-	-	-	-	-	-

\*FY26 General Fund Roads Maintenance expenses YTD is \$94,369 - budgeted transfer to GF for Roads Maintenance is \$1,178,106

<b>Fund 155 - HART Assessments Reconciliation</b>	<b>FY 19 Actual</b>	<b>FY 20 Actual</b>	<b>FY 21 Actual</b>	<b>FY 22 Actual</b>	<b>FY 23 Actual</b>	<b>FY 24 Actual</b>	<b>FY 25 Prelim Actual</b>	<b>FY 26 YTD</b>
<b>Beginning Balance</b>	<b>701,157</b>	<b>780,628</b>	<b>878,836</b>	<b>1,001,309</b>	<b>1,047,210</b>	<b>1,131,469</b>	<b>1,218,727</b>	<b>1,273,047</b>
<b>Revenue</b>								
Assessment Revenue	45,096	67,633	107,988	65,046	59,807	23,840	35,945	-
Interest Income	21,706	19,374	(887)	(26,935)	19,843	60,465	(3,121)	-
Assessment Interest	12,670	11,202	15,372	7,791	4,610	2,952	2,936	-
<b>Total Revenue</b>	<b>79,471</b>	<b>98,208</b>	<b>122,473</b>	<b>45,901</b>	<b>84,259</b>	<b>87,258</b>	<b>35,761</b>	<b>-</b>
<b>Transfers</b>								
Transfers In	-	-	-	-	-	-	20,638	-
Transfers Out			-	-	-	-	(2,078)	-
<b>Total Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,560</b>	<b>-</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>780,628</b>	<b>878,836</b>	<b>1,001,309</b>	<b>1,047,210</b>	<b>1,131,469</b>	<b>1,218,727</b>	<b>1,273,047</b>	<b>1,273,047</b>