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**CITY OF HOMER
HOMER, ALASKA**

Smith/Aderhold

RESOLUTION 17-092(A)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE HOMER ACCELERATED ROADS AND TRAILS
PROGRAM (HART) POLICY MANUAL TO THE HART CAPITAL
IMPROVEMENTS POLICY MANUAL AND ESTABLISHING MINIMUM
SET ASIDES FOR CAPITAL IMPROVEMENTS.

WHEREAS, Homer Accelerated Road and Trail (HART) is a ¾% sales dedicated to roads
and trails; and

WHEREAS, In October of 2017 City of Homer voters approved Ballot Proposition 1 that
allowed Homer Accelerated Road and Trail funds to be spent on road and trail maintenance;
and

WHEREAS, Homer City Council is considering revisions to Homer City Code to restrict
what can be spent on road and trail maintenance in the annual budget and establish a
minimum set aside for HART capital improvement projects; and

WHEREAS, Updating the HART Policy Manual to the HART Capital Improvements
Policy Manual differentiates between HART funds that are used for capital projects and HART
funds that can be used in the operating budget for road and trail maintenance; and

WHEREAS, Revisions to the HART Policy Manual provide further guidance on the
required minimum set aside for roads capital improvements and trail capital improvements.

NOW, THEREFORE, BE IT RESOLVED THAT the title of the Manual is amended to read
as follows (additions bold and underlined; deletions stricken through):

H.A.R.T. CAPITAL IMPROVEMENTS POLICY MANUAL

BE IT FURTHER RESOLVED THAT the first sentence of paragraph I of the manual is
amended to read as follows:

I.PURPOSE

The purpose of the HART Capital Improvement program (referred to hereafter as HART
program) is to pay for reconstructing substandard city roads, upgrading existing
roads, and constructing new streets and non-motorized trails.

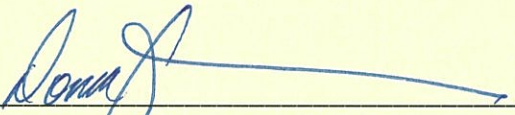
43 BE IT FURTHER RESOLVED THAT Paragraph V of the manual is amended to read as
44 follows:

45
46 V.FINANCING AND ASSESSMENTS
47 This program is funded by a dedicated sales tax of up to three quarters of one percent
48 (3/4%), and the collection of assessment payments due from completed projects.
49 Roads are allocated 90% of the annual revenue, and trails are allocated 10%. Homer
50 City Code requires that annually no less than \$550,000 is set aside for capital road and
51 trail improvements. Of that amount, a minimum of \$500,000 shall be set aside for road
52 capital improvements and \$50,000 for trail capital improvements. The tax will be
53 collected for up to twenty years expiring December 31, 2027, as approved by voters.
54 Expenditures under the HART program are subject to the availability of funds.

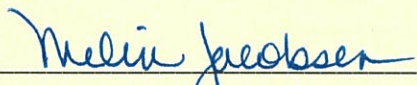
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56 BE IT FURTHER RESOLVED THAT these changes shall become effective January 1,
57 2019.

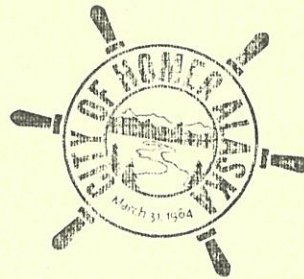
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59 PASSED AND ADOPTED by the Homer City Council this 27 day of NOV 2017.

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61 CITY OF HOMER

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64 _____
65 DONNA ADERHOLD, MAYOR PRO TEMPORE

66
67 ATTEST:

68
69 
70 _____
71 MELISSA JACOBSEN, MMC, CITY CLERK





City of Homer

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Memorandum 17-133

TO: Mayor Zak and Homer City Council
 FROM: Katie Koester, City Manager
 DATE: October 25, 2017
 SUBJECT: Ordinance 17-40 and Resolution 17-092

The purpose of this memo is to explain the parameters outlined in the proposed Ordinance and Resolution for the expenditure of Homer Accelerated Roads and Trails (HART) funds on maintenance of roads and trails.

Ordinance 17-40 in combination with Resolution 17-092 proposes that at a minimum \$550,000 of HART funds collected in any given year be reserved for capital expenditures (\$500,000 for roads and \$50,000 for trails). Resolution 17-092 establishes the same parameters for the HART Trails set aside as Ordinance 17-40 does for roads by amending the HART Policy Manual. Because the 10% dedication for trails is in the Policy Manual and not City Code, the Trails parameters need to be adopted by resolution, not ordinance.

The existing balance of the HART fund (currently approximately \$5.2 million) would remain available for future capital projects.

2017 value of HART (3/4% sales tax): \$1.284m

| HART ROADS | | HART TRAILS | |
|---|-----------|---|-----------------------|
| Annual amount of HART road (HART – 10% for HART trails)* | \$1.156m | Annual amount of HART trails (10% of HART)* | \$128,400 |
| Anticipated annual draw on HART Roads for capital projects based on historical experience | \$504,306 | Recommended minimum annual set aside for HART trails for capital projects | \$50,000 |
| HART road remainder available for road maintenance (operating budget transfer) | \$656,000 | HART trails remainder available for maintenance (recommend line item created for this in 2019 budget) | \$78,400 |
| 2017 budget for road maintenance (paved roads + gravel roads + winter roads) | \$717,000 | 2017 budget for trail maintenance | Not currently tracked |

*Based on 2017 budget

Logistics. What will using HART for maintenance look like in the 2019 budget?