



MEMORANDUM

Ordinance 23-25, An Ordinance of the City Council of Homer, Alaska, Amending the FY23 Capital Budget by Authorizing a Total Transfer of \$438,315 to include \$200,000 from Water Capital Asset Repair and Maintenance Allowance (CARMA) Fund, and \$238,315 from Sewer CARMA Fund to Utility Operations Fund Fund Balance. City Manager/Finance Director.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Meeting Date: 08 May 2023
From: Elizabeth Walton, Finance Director
Through: Rob Dumouchel, City Manager

Purpose of Ordinance:

Homer City Council amended the City of Homer Water and Sewer Rates by approving Ordinance 22-61 and a transfer was completed per Ordinance 22-67 to fund rate model capital projects. These projects were not able to be completed within the fiscal year and, therefore, funds need to be returned to the funding source (Utility Operations Fund Fund Balance).

Identified FY23 Projects:

The FY23 Utility Rate Model incorporated capital projects that were paid by the rate payers.

Water Capital Improvement Projects (\$200,000):

- Hydrant Replacement (10/year) \$100,000
- Fleet Replacement \$50,000
- Replace Water Meters \$50,000

Sewer Capital Improvement Projects (\$238,315):

- WWTP MCC Spare Parts \$30,000
- Replace Cracked Incinerator \$75,000
- Beluga Lift Station \$20,000
- Lagoon Liner \$25,000
- Replace Lift Station Access Hatch \$13,315 (remainder of \$50,000 project funded through ARPA funding)
- Sludge Drying Beds \$25,000
- Fleet Replacement \$50,000

Recommendation:

Pass Ordinance transferring \$438,515 from Utility Capital Asset Repair and Maintenance Allowance (CARMA) Fund to Utility Operations Fund Fund Balance.

Attachments:

Ordinance 23-25
Financial Supplement

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager/
4 Finance Director

5 **ORDINANCE 23-25**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
8 AMENDING THE FY23 CAPITAL BUDGET BY AUTHORIZING A TOTAL
9 TRANSFER OF \$438,315 TO INCLUDE \$200,000 FROM WATER
10 CAPITAL ASSET REPAIR AND MAINTENANCE ALLOWANCE (CARMA)
11 FUND AND \$238,315 FROM SEWER CARMA FUND TO UTILITY
12 OPERATIONS FUND.
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14 WHEREAS, Homer City Council approved Ordinance 22-61, which amended the City of
15 Homer Water and Sewer Rates; and
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17 WHEREAS, The water rate model funded a total of \$450,000 in water related capital
18 projects. Of which, \$250,000 was funded using American Rescue Plan Act (ARPA) funds per
19 Ordinance 22-60. This leaves a remainder of \$200,000 to be funded through the utility rate
20 payers; and
21

22 WHEREAS, The sewer rate model funded a total of \$705,000 in sewer related capital
23 projects. Of which, \$466,685 was funded using American Rescue Plan Act (ARPA) funds per
24 Ordinance 22-60. This leaves a remainder of \$238,315 to be funded through utility rate payers;
25 and
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27 WHEREAS, These projects were not able to be completed within the fiscal year and,
28 therefore, funds need to be returned to the funding source (Utility Operations Fund Fund
29 Balance).
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31 NOW, THEREFORE, THE CITY OF HOMER ORDAINS
32

33 Section 1. The Homer City Council hereby amends the FY23 Capital Budget by
34 transferring \$438,315 from the Utility CARMA Fund as follows:
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36 Transfer from:

<u>Fund No.</u>	<u>Description</u>	<u>Amount</u>
256-0378	Water CARMA	\$200,000
256-0379	Sewer CARMA	\$238,315

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41 Transfer to:

<u>Fund No.</u>	<u>Description</u>	<u>Amount</u>
200	Utility Operations Fund Fund Balance	\$438,315

44 Section 2. This is a budget amendment ordinance only, is not permanent in nature,
45 and shall not be codified.

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47 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this __ day of _____, 2023.

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CITY OF HOMER

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KEN CASTNER, MAYOR

53 ATTEST:

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56 _____
MELISSA JACOBSEN, MMC, CITY CLERK

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58 YES:

59 NO:

60 ABSTAIN:

61 ABSENT:

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63 First Reading: May 8, 2023

64 Public Hearing:

65 Second Reading:

66 Effective Date:

**CITY OF HOMER
FINANCIAL SUPPLEMENT**

PROJECT NAME	<u>Utility CARMA Transfer</u>	DATE	<u>05/03/2023</u>
DEPARTMENT	<u>Finance</u>	SPONSOR	<u>City Manager/Finance Director</u>
REQUESTED AMOUNT	<u>\$ 438,315</u>		

DESCRIPTION	<p>Homer City Council approved Ordinance 22-61, which amended the City of Homer Water and Sewer Rates. The water rate model funded a total of \$450,000 in water related capital projects. Of which, \$250,000 was funded using American Rescue Plan Act (ARPA) funds per Ordinance 22-60. This leaves a remainder of \$200,000 to be funded through the utility rate payers.</p> <p>The sewer rate model funded a total of \$705,000 in sewer related capital projects. Of which, \$466,685 was funded using American Rescue Plan Act (ARPA) funds per Ordinance 22-60. This leaves a remainder of \$238,315 to be funded through utility rate payers.</p> <p>These projects were not able to be completed within the fiscal year and, therefore, funds need to be returned to the funding source (Utility Operations Fund Fund Balance).</p>
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	0%	46%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	54%

FUNDING SOURCE 1: WATER CARMA	FUNDING SOURCE 2: SEWER CARMA	FUNDING SOURCE 3:
Current Balance <u>\$ 2,215,936</u>	Current Balance <u>\$ 2,120,430</u>	Current Balance _____
Encumbered <u>\$ 117,260</u>	Encumbered <u>\$ 1,257,852</u>	Encumbered _____
Requested Amount <u>\$ 200,000</u>	Requested Amount <u>\$ 238,315</u>	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____
Remaining Balance <u>\$ 1,898,676</u>	Remaining Balance <u>\$ 624,263</u>	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____