

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

Venuti/Erickson

3
4 **ORDINANCE 23-50**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
7 AMENDING THE FY24 OPERATING BUDGET BY APPROPRIATING
8 \$10,000 FROM THE GENERAL FUND UNASSIGNED FUND BALANCE
9 TO FUND PART OF THE HOMER SMALL BUSINESS ADVISOR
10 POSITION FOR THE ALASKA SMALL BUSINESS DEVELOPMENT
11 CENTER, AND AUTHORIZING THE CITY MANAGER TO EXECUTE
12 THE APPROPRIATE DOCUMENTS.

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14 WHEREAS, The 2018 Comprehensive Plan Chapter 7 Goal 2 States: Encourage the
15 retention and creation of more year round, higher wage jobs; and

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17 WHEREAS, The Alaska Small Business Development Center (AKSBDC) provides no-cost,
18 confidential, individual business coaching to grow small businesses in Homer; and

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20 WHEREAS, The AKSBDC is requesting the city provide funding as a local match in the
21 amount of \$10,000 to fund the local half time Homer Business Advisor position through FY24;
22 and

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24 WHEREAS, The Kenai Peninsula Borough has been increasing funding to the AKSBDC
25 which has reduced the amount needed for a local community match to continue this economic
26 development service; and

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28 WHEREAS, The Homer position is conveniently located within the Homer Chamber of
29 Commerce, which provides the office space and supports free of charge; and

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31 WHEREAS, The current Small Business Advisor is on track to log the most hours yet
32 provided to the Homer community in a year, showing the need and support for this service to
33 support small businesses and entrepreneurs.

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35 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

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37 Section 1. The Homer City Council hereby amends the FY24 Operating Budget by
38 appropriating \$10,000 for the purpose of funding a portion of the Homer Business Advisor of
39 the Alaska Small Business Development Center as follows:

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41 Revenue:

42 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
43 100-0099-4990	General Fund Unassigned Fund Balance	\$10,000


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Expenditure:

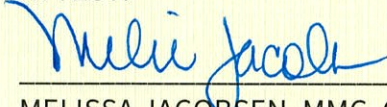
<u>Account</u>	<u>Description</u>	<u>Amount</u>
100-0350-5210	Non-Departmental Professional Services	\$10,000

Section 2. This is a budget amendment ordinance, is temporary in nature, and shall not be codified.

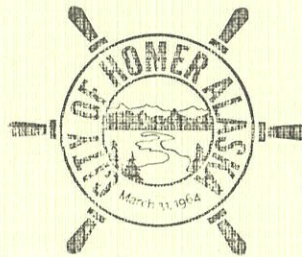
ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 25th day of September, 2023.

CITY OF HOMER


KEN CASTNER, MAYOR

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK



YES: 5
NO: 0
ABSTAIN: 0
ABSENT: 1

Introduction: September 11, 2023
Public Hearing: September 25, 2023
Second Reading: September 25, 2023
Effective Date: September 26, 2023



MEMORANDUM

Ordinance 23-50, An Ordinance of the City Council of Homer, Alaska Amending the FY24 Operating Budget by Appropriating \$10,000 from the General Fund Unassigned Fund Balance to Fund Part of the Homer Small Business Advisor Position for the Alaska Small Business Development Center. Venuti/Erickson.

Item Type: Action Memorandum
Prepared For: Homer City Council
Date: September 2, 2023
From: Julie Engebretsen, Economic Development Manager
Through: Council members Venuti and Erickson

Background

As part of the budget process for FY 24/25, Council voted down a \$15,000 annual request to fund the Homer Small Business Advisor position of the Alaska Small Business Development Center (AKSBDC). However, the Kenai Peninsula Borough was able to increase funding to the AKSBDC, which helped close the budget gap for this position. The AKSBDC is now requesting \$10,000 to fund the remainder of this part time position through FY24.

RECOMMENDATION:
Adopt Ordinance 23-50

From: [Julie Engebretsen](#)
To: [Melissa Jacobsen](#)
Subject: FW: information on the SBDC position in Homer
Date: Wednesday, September 6, 2023 12:10:02 PM

From: Karin Marks <weskar70@gmail.com>
Sent: Wednesday, August 16, 2023 4:27 PM
To: Caroline Venuti <CarolineVenuti@ci.homer.ak.us>; Shelly Erickson <ShellyErickson@ci.homer.ak.us>; Julie Engebretsen <JEngebretsen@ci.homer.ak.us>; Robert Dumouchel <RDumouchel@ci.homer.ak.us>
Cc: Cliff Cochran <cliff.cochran@aksbdc.org>; Robert Green <robert.green@aksbdc.org>; Brad Anderson <exdir@homer.alaska.org>
Subject: information on the SBDC position in Homer

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Information on the SBDC position in Homer for use to write and submit an ordinance to City Council

Background:

The Small Business Administration, a Federal Agency, administers the Small Business Development Center (SBDC) program, which is a cooperative effort with the private sector, educational community and federal, state, and local governments to provide technical assistance to current and prospective small business owners. The SBDC is the most comprehensive small business assistance network in the US and its territories, featuring offices in 997 locations across the US and its territories.

Due to the education and research nature of the organization, SBDCs are hosted primarily by leading universities and colleges, with the Alaska SBDC hosted by the University of Alaska. Since the university provides HR and finance functions, the university requires a 10% fixed and administrative fee for all contractual programs. UAA's Office of Sponsored Programs handles this. This Office has dozens of these contracts as an economical way to assist groups. This means that a separate administration/layer which could be costly is not necessary. Funding for the Alaska SBDC is primarily provided by the Small Business Administration, which provided \$927,581 in FY23, and the State of Alaska, which provided \$719,714 for FY23. Due to the nature of the SBDC's charter, the organization is not permitted to collect payments from clients for technical assistance so it is entirely supported by federal, state, and local funding. This funding is spread across nine locations with 26 staff in Alaska.

The program places a heavy emphasis on metrics and those are best achieved in larger communities, like Anchorage, Fairbanks, and the Mat-Su Valley. Smaller communities in Alaska with under 80,000 residents are required to provide a local match in order to fund those positions. These communities include Juneau, Soldotna, Seward, and Homer. Local funding for the SBDC positions in Juneau, Soldotna, and Seward was

most recently unanimously approved by their local governments.

The Kenai Peninsula Borough has recognized that although our largest population is in the Soldotna/Kenai cities, the Borough has two smaller urban areas (Homer and Seward) that have strong economic potential, especially for small businesses. Small businesses are looked on favorably as a way to add to the economic benefits of the individuals and city government programs. Due to the fact that Homer does not have a bed tax, the Borough provided a funding increase for the Alaska SBDC to pick up two-thirds of the Homer Business Advisor local match. This leaves a balance of \$10,000 due from the Homer community to retain the SBDC position for FY24.

Here is an overview of FY24 funding for the Homer SBDC position:

Alaska SBDC - \$40,927 (54.9%)

Kenai Peninsula Borough - \$20,000 (26.8%)

Homer Chamber of Commerce (non-cash) - \$3,600 (4.8%)

City of Homer (proposed) - \$10,000 (13.4%)

There is some hope that the Borough will not only continue with their support for the next FY but may increase it for the next FY.

Homer has and is a community of small businesses partly because one has to create one's job/livelihood to be able to afford to live here. Encouraging a multi-level community is a positive for quality of life. Having small businesses has created a spirit that marries with "what makes Homer, Homer". In today's world, with many requirements/regulations that require real understanding, there are often not timely ways to obtain information needed to start, buy and or grow a small business. This is especially so since most, if not all, small business people need to wear every hat in the business. This lack is not the skill to produce a product or service but how to make it into a successful small business.

For these reasons it is great to have a real person in the area who knows the local situations to assist with this so that we can continue to grow our economy which means a growth of our tax base which means affording things that support our quality of life.

Karin Marks

Dear Members of the Homer City Council,

Due to a recent procedure, I am unable to attend in person, but want to extend my gratitude and appreciation for the Alaska Small Business Development Center, more specifically the Homer Business Advisor who is currently Robert Green and the accomplishment that has been made possible with this local resource and support.

I am excited to report that within just two months of establishing my business, Elevate Business Management, I have been able to secure two substantial contracts. This achievement serves as a testament to the potential and growth that small businesses can bring to our town.

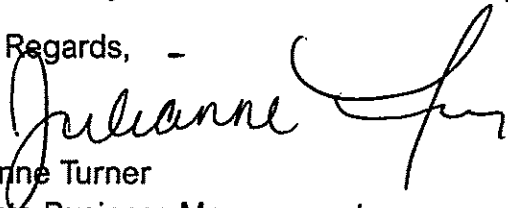
I would like to acknowledge the instrumental role played by the Alaska Small Business Development Center and the Homer Business Advisor in this success. Their guidance and expertise have been invaluable in shaping my business strategy, and ultimately contributing to the realization of these contracts.

I am grateful for the resources and assistance provided by the Alaska Small Business Development Center. They are an invaluable asset and made the process simple from inception to reality. The collaborative spirit that I received from start to finish has played a key role in my rapid progress.

I am committed to upholding the standards of excellence that have led to this initial achievement. It is my hope that my success story can serve as inspiration to fellow entrepreneurs and reinforce the idea that, with the right support, business can flourish and contribute positively to our community. Without the Alaska Small Business Development Center, I do not believe I would have been able to make it as far as I have. I encourage any entrepreneur to reach out to the Alaska Small Business Development Center; they are a wealth of knowledge and will help steer you in the right direction even after being established.

I appreciate your time and attention to my letter.

Best Regards, -

A handwritten signature in black ink that reads "Julianne Turner". The signature is written in a cursive, flowing style.

Julianne Turner
Elevate Business Management
Owner
(951) 591-6141

CITY OF HOMER
FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Homer Business Advisor Position - Partial Funding</u>	DATE	<u>09/08/2023</u>
DEPARTMENT	<u>City Council</u>	SPONSOR	<u>Venuti/Erickson</u>
REQUESTED AMOUNT	<u>\$ 10,000</u>		

DESCRIPTION	<p>The 2018 Comprehensive Plan Chapter 7 Goal 2 States: Encourage the retention and creation of more year round, higher wage jobs. The Alaska Small Business Development Center (AKSBDC) provides no-cost, confidential, individual business coaching to grow small businesses in Homer. The AKSBDC is requesting the city provide funding as a local match in the amount of \$10,000 to fund the local half time Homer Business Advisor position through FY24.</p> <p>The Kenai Peninsula Borough has been increasing funding to the AKSBDC which has reduced the amount needed for a local community match to continue this economic development service. The Homer position is conveniently located within the Homer Chamber of Commerce, which provides the office space and supports free of charge. The current Small Business Advisor is on track to log the most hours yet provided to the Homer community in a year, showing the need and support for this service to support small businesses and entrepreneurs.</p>
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FUNDING SOURCE(S)	GF Unassigned FB	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	100%	0%	0%	0%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: General Fund Unassigned Fund Balance	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 2,847,466</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 1,178,377</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 10,000</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 0</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 1,659,089</u>	Remaining Balance _____	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 _____