

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

3 Lord/Erickson/Mayor

4 **RESOLUTION 23-120**

5  
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA  
7 PROVIDING DETAIL AND DIRECTION FOR WORKING WITH STAFF  
8 TO UPDATE FINANCIAL REPORTING TO THE COUNCIL AND  
9 DEVELOP A FINANCIAL PLAN FOR THE CITY.

10  
11 WHEREAS, During the Council's 2021 strategic planning session, the concept of a  
12 "financial plan" was put at the top of the list of priorities, highlighting that a solid financial  
13 understanding and sideboards are paramount to responsible decision-making; and  
14

15 WHEREAS, Homer City Code 3.05.12 lays out the requirement for the City to have a  
16 Complete financial plan which is defined as the budget: "The budget shall provide a complete  
17 financial plan of all City funds and activities for the next two fiscal years." ; and  
18

19 WHEREAS, The City of Homer is organized as a municipality with a manager acting as  
20 the chief administrative officer, (AS 29.20.460); and  
21

22 WHEREAS, As the chief administrator the manager shall make monthly financial reports  
23 and other reports on municipal finances and operations as required by the governing body,  
24 (AS 29.20.500); and  
25

26 WHEREAS, Improving the consistency and timeliness of our monthly reporting is the  
27 Council's current priority; and  
28

29 WHEREAS, The Mayor and Council have identified additional areas that need to be  
30 better understood and communicated pertaining to the City's finances to ensure transparency  
31 and prudent decision-making by the Council; and  
32

33 WHEREAS, A "financial plan" for the purposes of these activities will be a report which  
34 outlines guidelines and expectations about: the budget document, monthly & quarterly  
35 financial reporting, Fund-specific financial policies, Citywide CARMA planning, procurement,  
36 and audit expectations; and  
37

38 WHEREAS, We encourage open and respectful dialogue, questions from the public, and  
39 a problem-solving perspective as we work through these topics.  
40

41 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council establishes a financial  
42 plan workgroup with two members of Council, staff, and the Mayor to develop a draft plan for  
43 the Council's review by February 2024 which includes:

- 44 ● A defined and agreed upon system, with approved templates, of regular financial  
45 reporting to the Council (i.e. monthly balance sheet for specified funds, budget to  
46 actuals, etc.)
- 47 ● Using the Utility Fund as an example, complete financial policies for the General Fund  
48 and Enterprise Fund. We direct the Port and Harbor Commission to begin working with  
49 staff on a Financial Policy for the Enterprise Fund. This should include how we budget  
50 for projects that we don't anticipate during the budgeting process (reserve accounts!),  
51 how different funds are used and minimum/maximum amounts to target within those  
52 funds, how we fund large capital projects, etc.
- 53 ● Citywide CARMA planning, in line with what Public Works has done for the Fleet, Roads,  
54 and Utility, exploring the potential of moving back to subaccounts within General  
55 CARMA to better track funding.
- 56 ● A review of the audit process, an established goal for audit timeline, and our current  
57 audit contracts with recommendations for when we are off-target of our goals.
- 58 ● An update to the City's Procurement Policy.

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60 BE IT FURTHER RESOLVED that the City will do a full review of Homer City Code Title 3  
61 in 2024 following Council review, feedback, and approval of the financial plan outlined above.

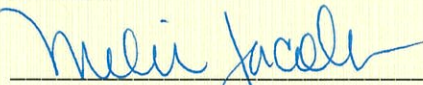
62  
63 PASSED AND ADOPTED by the Homer City Council this 23<sup>rd</sup> day of October, 2023.

64  
65 CITY OF HOMER

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67  
68 KEN CASTNER, MAYOR

69 ATTEST:

70 

71  
72 MELISSA JACOBSEN, MMC, CITY CLERK

73  
74 Fiscal note: N/A

