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**CITY OF HOMER  
HOMER, ALASKA**

City Clerk/  
Permanent Fund Committee

**ORDINANCE 13-25**

AN ORDINANCE OF THE HOMER CITY COUNCIL AMENDING HCC 3.10.130, GOVERNANCE OF HOMER PERMANENT FUND ASSETS, HCC 3.12.020, CONTRIBUTIONS, HCC 3.12.030 ALLOCATION TO SUB-FUNDS, HCC 3.12.060 EXPENDITURES OF INCOME AND HCC 3.12.080, EXPENDITURE OF PRINCIPAL; ENACTING HCC 3.12.015, DEFINITIONS; AND REPEALING HCC 3.12.070, LOANS FROM INCOME SUB-FUND; REGARDING THE HOMER PERMANENT FUND.

THE CITY OF HOMER HEREBY ORDAINS:

Section 1. Subsection (c) of HCC 3.10.130, Governance of Homer Permanent Fund Assets, is renumbered as paragraph (b)(9).

Section 2. HCC 3.12.015, Definitions, is enacted to read as follows:

3.12.015 Definitions. As used in this chapter:

“Income” means interest, dividends or coupon discounts derived from investments, and does not include realized or unrealized gains in the market value of investments.

“Permanent Fund” means the Homer Permanent Fund established by HCC 3.12.010.

“Windfall monies” means monies received by the City after the effective date of this chapter that are not either standard budgeted operating revenues or monies received for a specific purpose, including without limitation bond proceeds, grant funds, and monies recovered through litigation other than the Exxon Valdez litigation as damages compensating or reimbursing the city for previous expenditures. In all cases, the City Council’s identification of monies as windfall monies shall be final and conclusive.

Section 3. HCC 3.12.020, Contributions, is amended to read as follows:

3.12.020 Contributions. a. If monies from the distribution of the Exxon Valdez settlement or other forms of windfall monies become available to the City, not less than 95% of such funds shall be placed in the Permanent Fund.

b. The City Council shall appropriate all of the Exxon Valdez settlement funds and other windfall monies that remain after the contribution to the Permanent Fund required by subsection (a) of this section to the Homer Foundation City of Homer Endowment Fund or other local non-profit organizations for the benefit of the community.

Section 4. HCC 3.12.030, Allocation to sub-funds, is amended to read as follows:

47 3.12.030 Allocation to sub-funds. a. Each contribution to the Permanent Fund shall be  
48 allocated to two sub-funds as follows:

49 1. Forty percent of each contribution shall be allocated to an income sub-fund.

50 2. Sixty percent of each contribution shall be allocated to a growth sub-fund.

51 b. Annually at the beginning of the fourth quarter the city shall transfer money from the  
52 growth sub-fund to the income sub-fund to the extent necessary to cause the amount in the  
53 income sub-fund, plus the outstanding principal of all loans from the income sub-fund under  
54 HCC 3.12.060(b), to be equal to forty percent of the total amount in the Permanent Fund.

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56 Section 5. HCC 3.12.060, Expenditures of income, is amended to read as follows:

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58 3.12.060 Expenditures from income sub-fund. Expenditures from the income sub-fund  
59 may be made only as authorized in this section.

60 a. The income from the income sub-fund may be appropriated by the City Council and be  
61 expended for general governmental purposes, including but not limited to ordinary operating  
62 expenses.

63 b. The principal of the income sub-fund may be used as a source of loan funds for city  
64 capital projects, and not as a grant. To be eligible for such a loan the project must receive a  
65 majority of its funding from other sources. Such loans shall be on terms approved by resolution  
66 of the City Council, which must provide for the repayment of the loan over a reasonable period  
67 of time.

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69 Section 6. HCC 3.12.070, Loans from income sub-fund, is repealed.

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71 Section 7. HCC 3.12.080, Expenditure of principal, is amended to read as follows:

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73 3.12.080 Expenditures with voter approval. a. Except as provided in HCC 3.12.060, no  
74 expenditure may be made from the Permanent Fund without the approval of sixty percent of city  
75 voters voting on the question at a regular or special election.

76 b. Prior to submitting to the voters the question of whether to approve an expenditure  
77 from the Permanent Fund, the City Council shall find that all reasonable options for borrowing  
78 have been exhausted, including the option of borrowing from the Permanent Fund pursuant to  
79 HCC 3.12.060(b).

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81 Section 8. This Ordinance is of a permanent and general character and shall be included  
82 in the City Code.

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84 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 12<sup>th</sup>  
85 day of August 2013.

86  
87 CITY OF HOMER

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90 MARY E. WYTHE, MAYOR  
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93 ATTEST:

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JO JOHNSON, CMC, CITY CLERK

100  
101 AYES: 6  
102 NOES: 0  
103 ABSTAIN: 0  
104 ABSENT: 0

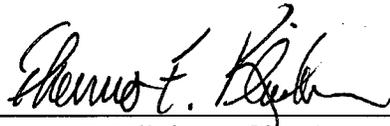
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First Reading: 7/22/13  
Public Reading: 8/12/13  
Second Reading: 8/12/13  
Effective Date: 8/13/13

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114 Reviewed and approved as to form:

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118 Walt Wrede, City Manager

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120 Date: 8/15/2013 \_\_\_\_\_

  
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Thomas F. Klinkner, City Attorney

Date: 8-21-13 \_\_\_\_\_