



City of Homer

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Memorandum

TO: Mayor Castner and Homer City Council
FROM: Rob Dumouchel, City Manager
DATE: October 25, 2021
SUBJECT: Additional Information for Ordinance 21-63

Legislative History

Quite a few actions have been taken by past Councils related to the natural gas line, the table below provides a brief overview of relevant ordinances. The ordinance numbers are hyperlinked to more information related to each ordinance on the City's website.

Ordinance #	Ordinance Name	Fiscal Notes
12-46	An Ordinance of the City Council of Homer, Alaska, Appropriating Funds in the Amount of \$50,165 from the General Fund Balance to Carry Out the Requirements of Homer City Code Title 17 Entitled Improvement Districts and to Implement a Public Information Strategy Related to the Proposed Natural Gas Special Assessment District. City Manager.	\$50,165 from General Fund
13-01(A)(S)	An Ordinance of the Homer City Council Amending HCC 17.04.190 to Provide for Deferral of Special Assessments for Low Income Residents. Burgess.	Approximately 6 parcels deferred at this time (OCT21)
13-03(S)(2)	An Ordinance of the City Council of Homer, Alaska, Authorizing the City to Issue a Natural Gas Distribution Special Assessment Bond in the Principal Amount of Not to Exceed \$12,700,000 to Finance the Design and Construction of Natural Gas Distribution Improvements in the City, Fixing Certain Details of Such Bond and Authorizing Its Sale; and Repealing HCC Chapter 17.08. City Manager.	Allowed the City to borrow up to \$12,700,000
13-09	An Ordinance of the City Council of Homer, Alaska, Appropriating Funds and Establishing a Project Budget for Administration and Direct Services Provided in Support of the Homer Natural Gas Distribution System Special Assessment District. City Manager.	Set \$539,368 budget for administrative and direct services to the SAD
13-19(A)(S)	An Ordinance of the City Council of Homer, Alaska, Amending the 2013 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$224,780 from Various City Reserve Funds. City Manager/Public Works Director.	\$148,319 from general reserves (what would be CARMA today); \$48,461 from Sewer Reserves;

		\$28,000 from Water Reserves
14-07	An Ordinance of the City Council of Homer, Alaska, Amending the 2014 Operating Budget by Appropriating \$34,089 from the Airport Reserve Fund for the Replacement of the Boilers at the Airport Terminal and Authorizing the City Manager to Execute All Appropriate Documents. City Manager/Public Works Director.	\$34,089 to support conversion of the Airport to natural gas
14-22(A)	An Ordinance of the City Council of Homer, Alaska Amending the FY 2014 Operating Budget to Provide for Natural Gas Conversions to City Buildings by Appropriating \$83,270 from Various City Reserve Funds. City Manager/Public Works Director.	\$18,562 from Water Reserves; \$64,708 from Harbor Reserves;
15-11	An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code Section 17.04.100, Subdivision After Levy of Assessments, to Provide for Subdivisions of Property Subject to Natural Gas Distribution Assessments. City Manager.	
15-17(S)	An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Permit the City to Prepay Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02(S)(2), and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.	Added language allowing pre-payment of principal
15-21	An Ordinance of the City Council of Homer, Alaska, Amending the FY 2015 Operating Budget by Appropriating \$277,335.45 to Pay for Homer Natural Gas Special Assessment District Assessments of 85 City Lots From Various City Reserve Funds. City Manager.	\$3,262.77 from Animal Shelter Reserve; \$3,262.77 from City Hall Reserve; \$32,627.70 from General Fund Reserve; \$13,051.08 from Library Reserve; \$6,525.54 from Park Reserve; \$1,631.39 from Police Reserve; \$1,631.39 from Fire Reserve; \$6,525.54 from Public Works Reserve; \$202,291.74 from Harbor Reserve
15-27	An Ordinance of the City Council of Homer, Alaska, Providing a Procedure for the Council to Consider Whether to Exclude Certain Properties From the Homer Natural Gas Distribution Special Assessment District. Burgess.	
15-38	An Ordinance of the Homer City Council Amending the FY 2015 Operating Budget by Appropriating \$42,500 From the Homer Natural Gas Special Assessment District Account for Settlement Costs in the Castner vs. City of Homer Court Case Challenging Assessments for Condominiums Within the District. City Manager.	\$42,500 lawsuit settlement
16-03(S)	An Ordinance of the City Council of Homer, Alaska Amending Ordinance 13-03(S)(2) to State the Actual Principal Amount of, and Change the Payment Dates for, the Natural Gas Distribution Special	Adjusts bond amount to \$12,359,388

	Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.	
16-43	An Ordinance of the City Council of Homer, Alaska, Amending Ordinance 13-03(S)(2) to Change the Terms for Adjusting the Amortization of Principal of the Natural Gas Distribution Special Assessment Bond Authorized by Ordinance 13-02, and Authorizing an Amendment to the Loan Agreement Between the City and the Kenai Peninsula Borough Regarding the Bond. City Manager.	Provides for the creation of a Natural Gas Distribution Special Assessment Bond Sinking Fund
16-44(A)	An Ordinance of the City Council of Homer, Alaska, Amending Homer City Code 17.04.190, Entitled “Deferment of Assessment Payments for Low Income Residents,” by Permitting Assessment Deferral Applicants to Apply for a Deferral in Any Year an Applicant is Eligible for the Deferral Regardless of Whether or Not the Applicant Applied for Deferral in the Initial Year of Assessment. City Manager.	Approximately 6 parcels deferred at this time (OCT21)
17-15	An Ordinance of the City Council of Homer, Alaska, Updating and Clarifying the Implementation of a Penalty and Interest Structure for Special Assessments in the Homer Natural Gas Distribution Special Assessment District That Became Delinquent on or After July 1, 2016, and Provided Terms for Reinstatement on or After July 1, 2016 of Assessments That Became Delinquent Before That Date, and the Policies and Procedures for Waiving Penalties on Delinquent Special Assessment Payments if They Meet Certain Requirements, and Creating an Appeal Process for Waiver Denials to the Board of Adjustment. Aderhold.	Clarifies penalties
19-56	An Ordinance of the City Council of Homer, Alaska Moving Expenditures in the Amount of \$92,852.24 Previously Allocated from the General Fund Operating Fund to now be Allocated from the Natural Gas Line Capital Project Fund for Legal and Travel Related Expenses Associated with ENSTAR Tariff Filing 310-4. Mayor.	\$92,852.24 from Gas Line Fund
21-13	An Ordinance of the City Council of Homer, Alaska Appropriating an Amount not to Exceed \$2,512,000 from the Natural Gas Distribution Special Assessment Bond Sinking Fund to Retire the Debt to the Kenai Peninsula Borough that was Utilized for the Construction of the Homer Natural Gas Distribution Line. Mayor/City Manager.	\$2,512,000 to pay off bond

Natural Gas Distribution Special Assessment District Closeout

Those properties in the District have until September 1, 2024 to pay off their assessments. Approximately 1,043 of 3,788 parcels still owe money to the City (approximately \$1,288,894 of the original \$12,359,388). Staff expects to keep the fund open well beyond September 2024 as late payments and deferrals will continue to come in to the City. Ordinance 21-63, proposed by the Mayor, doesn’t close the gas line fund. It does however create a mechanism to ensure that we are revisiting this account annually to ensure that the City does not build up a balance within the account that is not put to a generally beneficial use.