

**CITY OF HOMER
HOMER, ALASKA**

Lewis

ORDINANCE 17-23(A)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROPRIATING FUNDS IN THE AMOUNT OF \$2,344,784 FROM
THE HOMER PERMANENT FUND TO PAY OFF THE LIBRARY
CONSTRUCTION LOAN AND HELP FUND A NEW POLICE STATION,
AND REPEALING HCC CHAPTER 3.12, PERMANENT FUND.

WHEREAS, The Homer Permanent Fund was established by Ordinance 05-14(S) for the purpose of receiving monies from the distribution of the Exxon Valdez Oil Spill settlement and other "wind-fall" funds, and serving as an endowment whose income would be used to support City government, and whose principal could be loaned to support City capital projects; and

WHEREAS, The amount that the City received from the distribution of the Exxon Valdez Oil Spill settlement and other wind-fall funds was substantially less than anticipated at the time the Homer Permanent Fund was established; and

WHEREAS, The limitations on investments in city code restrict the earnings the Homer Permanent Fund income is able to realize; and

WHEREAS, The amounts in the Homer Permanent Fund could serve their purpose better if they were transferred to pay off debt and help fund a new police station; and

WHEREAS, The City of Homer can save over \$1m dollars in avoided interest charges by paying the United States Department of Agricultural Rural Development Loan for library construction off early; and

WHEREAS, Any capital dollars for the new police station will allow the City of Homer to borrow less money to fund the project; and

WHEREAS, With the transfer of the amounts in the Homer Permanent Fund to service debt and fund an essential capital project, it is appropriate to repeal the Homer City Code provisions regarding the Homer Permanent Fund.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City Council hereby appropriates \$1,221,415 from the Homer Permanent Fund to pay off in full the United States Department of Agricultural Rural Development Loan.

Section 2. The City Council hereby appropriates all remaining funds and the full Permanent Fund balance, which equaled \$1,123,369 on May 23, 2017, from the Homer Permanent Fund to the actual construction of a Police Station.

Section 3. Homer City Code Chapter 3.12, Permanent Fund is repealed.

Section 4. Sections 1 and 2 of this Ordinance are amendments to the budget, which are temporary in nature and shall not be codified. Section 3 of this Ordinance is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 12th day of June, 2017.

CITY OF HOMER


BRYAN ZAK, MAYOR

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK

AYES: 6

NOES: 0

ABSTAIN: 0

ABSENT: 0

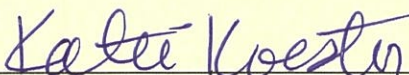
First Reading: 5.30.17


Public Hearing: 6.12.17

Second Reading: 6.12.17

Effective Date: 6.13.17

Reviewed and approved as to form:


Mary K. Koester, City Manager


Holly C. Wells, City Attorney

Date: 6.15.17

Date: 6.24.17