

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

Council/Mayor

3  
4 **ORDINANCE 18-26(A)(S)(A)**

5  
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,  
7 AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION BONDS  
8 IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 TO  
9 FINANCE THE ACQUISITION AND CONSTRUCTION OF A POLICE  
10 STATION; AMENDING HCC 9.16.010 TO PROVIDE FOR AN  
11 INCREASE IN THE RATE OF THE CITY SALES TAX FROM 4.5% TO  
12 4.85% WITH 0.3% OF THE INCREASED RATE TO PROVIDE FUNDS  
13 TO PAY DEBT SERVICE ON THE GENERAL OBLIGATION BONDS  
14 WITH 0.3% OF THE SALES TAX RATE INCREASE EXPIRING ON  
15 DECEMBER 31 OF THE YEAR WHEN THE CITY HAS RECEIVED  
16 SUFFICIENT FUNDS FROM THAT 0.3% SALES TAX RATE INCREASE  
17 TO PAY ALL OF THAT DEBT SERVICE; AND SUBMITTING THE  
18 QUESTION OF THE ISSUANCE OF SUCH BONDS AND SUCH SALES  
19 TAX RATE INCREASE TO THE QUALIFIED VOTERS OF THE CITY AT  
20 A SPECIAL ELECTION TO BE HELD ON THE JUNE 26, 2018.

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22 WHEREAS, The City of Homer (the "City") is in need of a new police station; and

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24 WHEREAS, The City Council views the acquisition and construction of a new police  
25 station and related capital improvements authorized herein as necessary and beneficial to  
26 the community, and determines that to fund such improvements general obligation bonds of  
27 the City should be authorized, issued and sold; and

28  
29 WHEREAS, The City Council also deems it necessary to increase the rate of the City  
30 sales tax to provide funds to pay costs of public safety operations and capital improvements,  
31 including without limitation part of the debt service on such general obligation bonds; and

32  
33 WHEREAS, Under the provisions of AS 29.47.190 the City may incur general obligation  
34 debt only after a bond authorization ordinance is approved by a majority of those voting on  
35 the question at a regular or special election; and

36  
37 WHEREAS, Under the provisions of AS 29.45.700(b) and AS 29.45.670, the City may  
38 increase the rate of its sales tax only after an ordinance authorizing the increase is approved  
39 by a majority of those voting on the question at a regular or special election; and

40  
41 WHEREAS, Submitting the aforementioned questions to the voters at a special  
42 election will ensure that the project has the full support of the voters before investing  
43 additional design dollars and allow the project to take advantage of precious additional  
44 months of construction season.

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NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. It is hereby determined to be for a public purpose and in the public interest of the City to incur general obligation bonded indebtedness in an amount not to exceed Five Million Dollars (\$5,000,000) for the purpose of paying the cost of planning, designing, and constructing a new police station and related capital improvements.

Section 2. The City is authorized to borrow the sum of Five Million Dollars (\$5,000,000) to finance the capital improvements described in Section 1, and the borrowing shall be evidenced by the issuance of general obligation bonds of the City. The full faith and credit of the City are pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the City shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

Section 3. Homer City Code 9.16.010 is amended to read as follows:

9.16.010 Levied.

a. A consumer's sales tax in the amount of three and three-quarters percent is levied by the City on all sales, rents and services within the City except as the same may be otherwise exempted by law.

b. An additional consumer's sales tax in the amount of three-quarters percent is hereby levied by the City of Homer on all sales, rents and services within the City except as the same may be otherwise exempted by law, for the purpose of funding debt retirement of the sewer treatment plant improvements, and to the extent revenues from such tax exceed such debt retirement obligations, for the purpose of funding water and sewer systems.

c. An additional consumer's sales tax in the amount of thirty five hundredths of one percent (0.35%) is hereby levied by the City of Homer on all sales, rents and services within the City, except as the same may be otherwise exempted by law, for the purpose of funding public safety operations and infrastructure within the City, including without limitation construction of a police station, with 0.3 percent of the sales tax rate providing funds to pay debt service on general obligation bonds authorized by Ordinance 18-26(A)(S) and expiring on December 31 of the year when the City has received sufficient funds from that sales tax rate to pay all of that debt service.

Section 4. A special election shall be held in and for the City on June 26, 2018, at which the City shall submit the following proposition to the qualified voters of the City. The proposition must receive an affirmative vote from a majority of the qualified voters voting on the question to be approved.

88 PROPOSITION NO. 1  
89 GENERAL OBLIGATION BONDS FOR  
90 A NEW POLICE STATION AND RELATED CAPITAL IMPROVEMENTS;  
91 0.35% SALES TAX RATE INCREASED FROM 4.5% TO 4.85%  
92

93 Shall the City of Homer incur debt and issue general obligation bonds in an  
94 amount not to exceed Five Million Dollars (\$5,000,000) to finance the planning,  
95 design and construction of a police station and related capital improvements;  
96 and shall the rate of City sales tax be increased by thirty five hundredths  
97 percent (0.35%) for the purpose of funding public safety operations and  
98 infrastructure within the City, including without limitation construction of a  
99 police station, with 0.3% of the sales tax rate increase to pay debt service on  
100 the general obligation bonds with the 0.3% sales tax rate increase expiring on  
101 December 31 of the year when the City has received sufficient funds from that  
102 0.3% sales tax rate increase to pay all of that debt service?  
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104 The bonds shall be secured by a pledge of the full faith and credit of the City.  
105 (Ordinance 18-26(A)(S)(A))  
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107 Section 5. The proposition, both for paper ballots and machine ballots, shall be  
108 printed on a ballot which may set forth other general obligation bond propositions, and the  
109 following words shall be added as appropriate next to a space provided for marking the  
110 ballot for voting by hand or machine:  
111

112 PROPOSITION NO. \_\_\_\_\_

113 OYes

114 ONo  
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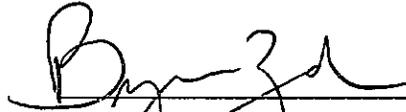
116 Section 6. Section 2 of this ordinance shall become effective only if the proposition  
117 described in Section 4 is approved by a majority of the qualified voters voting on the  
118 proposition at the June 26, 2018 special City election. Section 3 of this ordinance shall  
119 become effective January 1, 2019, but only if the proposition described in Section 4 is  
120 approved by a majority of the qualified voters voting on the proposition at the June 26, 2018  
121 special City election. The remaining sections of this ordinance shall become effective upon  
122 passage.  
123

124 Section 7. Section 3 of this Ordinance is of a permanent and general character and  
125 shall be included in the City Code. The remainder of this ordinance is not of a permanent  
126 nature and as such, shall not be codified.  
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128 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 14 day of  
129 May 2018.  
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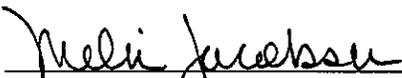
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CITY OF HOMER

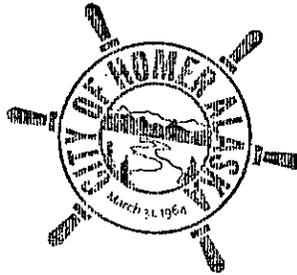
  
BRYAN ZAK, MAYOR

138 ATTEST:

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142 MELISSA JACOBSEN, MMC, CITY CLERK

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145 YES:   
146 NO:   
147 ABSTAIN:   
148 ABSENT:

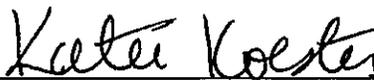
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First Reading: 4.23.18  
Public Reading: 5.14.18  
Second Reading: 5.14.18  
Effective Date: 5.15.18

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Reviewed and approved as to form:

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\_\_\_\_\_  
Katie Koester, City Manager

  
\_\_\_\_\_  
Holly C. Wells, City Attorney

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Date: 5.17.18

Date: 6.8.18