

43 The City Manager's budget message shall explain the budget in fiscal terms and in terms
44 of work programs. It shall contain an outline of the proposed financial policies of the
45 City for the ensuing two fiscal years, describe the important features of the budget,
46 indicate any major changes from the prior budget period and from current financial
47 policies, expenditures, and revenues, together with the reasons for such changes,
48 summarize the City's debt position and include other material as deemed desirable.

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50 3.05.012 Complete financial plan.

51 a. The budget shall provide a complete financial plan of all City funds and activities for
52 the next two fiscal years. In organizing the budget, the City Manager shall utilize the
53 most feasible combination of expenditure classification by fund, organizational unit,
54 program, purpose or activity and objective.

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56 b. The budget shall begin with a clear general summary of its contents, which summary
57 shall show principal sources of anticipated revenue, stating separately the amount to
58 be raised by property taxes, and by department the kinds of expenditures in such a
59 manner as to present to the public a clear and simple estimate of budget detail.

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61 c. The budget shall show in detail all estimated income, including the proposed
62 property tax levy, but shall exclude State revenue sharing, which will be appropriated
63 when received. The budget also shall show in detail all proposed expenditures,
64 including debt service, for the ensuing budget period.

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66 d. The budget shall be prepared on a modified accrual basis and subsequent reporting
67 shall recognize revenues when they become available and measurable and recognize
68 expenditures when liabilities are incurred.

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70 e. The budget shall include in separate sections:

71 1. Proposed expenditures for current fund operation during the ensuing budget period
72 detailed by offices, departments and agencies in terms of their respective work
73 programs, and the method of financing such expenditures;

74 2. Anticipated net surplus or deficit (fund balance) for the ensuing budget period of each
75 fund owned or operated by the City and the proposed method of its disposition;
76 subsidiary budgets for each such fund, giving detailed income and expenditures
77 information, shall be presented in the budget;

78 3. Proposed capital budget will be presented as a separate section of the biennial
79 budget. The capital budget shall show capital expenditures during the ensuing budget
80 period, detailed by offices, departments and agencies, when practicable, and the
81 proposed method of financing each such capital expenditure.

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83 f. Comparative data for the previous and ensuing budget periods shall be provided in a
84 format for ease of comparison of previous proposed revenues and expenditures.

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- 3.05.015 Review – Hearing – Adoption – Appropriations.
- a. At a Council meeting held not less than 10 days prior to the end of the current budget period, the Council shall, by ordinance, appropriate the money needed for the ensuing budget period.
- b. The budget proposal of the City Manager shall be reviewed by the Council and shall be available for public inspection in the office of the City Clerk and posted on the City’s website.
- c. A public hearing on the appropriation ordinance shall be held in accordance with provisions for adoption of an ordinance. All interested parties shall be given an opportunity to be heard on matters relative to the budget.
- d. A separate appropriation shall be made to each of the various funds of the City. From the effective date of the budget, the amounts stated therein as expenditures shall be and become appropriated to the objects and purposes therein named. The City Council may make supplemental and emergency appropriations, but payment may not be authorized or made and an obligation may not be incurred except in accordance with approved appropriations.
- e. The City Council shall provide for a midbiennium review, and any modification shall occur no sooner than eight months after the start, but no later than the conclusion, of the first year of the biennium. The City Manager shall prepare a proposed budget modification and the City shall provide for publication of notice of hearings consistent with publication of notices for adoption of other City ordinances. Such proposal shall be submitted to the City Council and shall be a public record and be available to the public. A public hearing shall be advertised at least once and shall be held no later than the first regular Council meeting in December and may be considered from time to time. At such a hearing or thereafter, the Council may consider a proposed ordinance to carry out such modifications.
- 3.05.017 Minimum annual transfer for Homer Accelerated Roads and Trails capital accounts.
- The annual budget will transfer a minimum of \$550,000 of the three-quarters percent dedicated sales tax levied for Homer Accelerated Roads and Trails exclusively for the purpose of funding street reconstruction improvements and related utilities, construction of new local roads, and construction of new local trails.
- 3.05.020 Amendments.

125 The Council may, by ordinance, increase or decrease appropriations during the course
126 of the budget period, and may also amend the budget using the same method used for
127 its initial adoption.

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129 3.05.025 System of accounts.

130 All City accounts shall be organized in a manner consistent with the approved budget.
131 The City Council may supplement or further delineate designations.

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133 3.05.030 Unencumbered balances of appropriations – Transfers.

134 a. The necessary accounting records shall be maintained to reflect the unencumbered
135 balances of all appropriations. The Finance Director/Treasurer shall submit to the City
136 Council a quarterly report reflecting operating activity and anticipated expenditures.

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138 b. Unencumbered appropriation balances may be transferred from one budget line
139 item to another within the same department by the City Manager at any time. Transfer
140 of appropriations within departments which would permanently amend the approved
141 staffing level or level of service delivery shall require Council approval.

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143 c. At the request of the City Manager, or on its own initiative, the Council may, by
144 resolution, transfer unencumbered appropriation balances from one department to
145 another within the same fund. [Ord. 19-35(S)(A) § 1, 2019; Ord. 93-14 § 2, 1993].

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147 3.05.035 Lapse of appropriation at end of fiscal year.

148 a. Except as provided in this section and in HCC 3.05.047 through 3.05.049,
149 appropriations shall lapse at the end of the fiscal year to the extent that they have not
150 been fully expended or fully encumbered. Any earnings from investment of monies
151 accumulated in a fund shall accrue to the fund.

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153 b. An appropriation for a capital expenditure shall continue in force until the purpose
154 for which it is made has been accomplished or abandoned; the purpose of such
155 appropriation shall be deemed abandoned if three years pass without disbursement or
156 encumbrance of the appropriation.

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158 3.05.040 Equipment replacement reserve fund. *Repealed by Ord. 19-35(S)(A).*

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160 3.05.042 Alternative funding for depreciation. *Repealed by Ord. 19-35(S)(A).*

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162 3.05.043 Health insurance reserve fund. *Repealed by Ord. 19-35(S)(A).*

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164 3.05.045 Balanced budget requirements.

165 Projected expenditures shall not exceed projected revenues in the operating budget.

166 Any action to reconsider, rescind, or veto the budget which would affect a balanced
167 budget must be accompanied by action which maintains a balanced budget.

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169 3.05.047 Capital asset repair and maintenance allowance fund.

170 a. There is established in the general fund a capital asset repair and maintenance
171 allowance fund (CARMA). The amount of the fund shall be established by City Council
172 in the biennial budget based on the projected maintenance and repair needs of the City.

173

174 b. Purpose. Capital asset management is essential to extending the life and use of
175 taxpayer funded assets, facilities and infrastructure.

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177 c. Funds in the capital asset repair and maintenance allowance fund shall be available
178 for appropriation and expenditure for equipment replacement, fleet replacement,
179 engineering, or planning services, major maintenance of City facilities, or any other
180 purpose as identified and recommended by the City Manager and authorized by the
181 City Council.

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183 3.05.048 Capital improvement fund.

184 There is established a capital improvement fund (CIF). The fund shall be comprised of
185 various Council appropriations for capital projects, acquisitions or initiatives as
186 identified and authorized by the City Council which shall not be limited to only the
187 current budget period.

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189 3.05.049 General fund – Fund balance.

190 a. Purpose – General Fund. The fund balance of the general fund represents the net
191 assets of the general fund and serves as a measure of financial resources.

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193 b. There is established within the fund balance of the general fund an amount equal to
194 four months; revenue for the current fiscal year that is restricted to emergency use only.
195 Emergency restricted fund balance shall only be spent to help the City of Homer provide
196 quick response to weather, economic uncertainty and unexpected situations such as
197 natural disasters so as to avoid the need for short-term borrowing.

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199 c. Unassigned fund balance shall be available for appropriation by City Council.

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201 d. Any general fund budget surplus at the end of a fiscal year will lapse into the general
202 fund – fund balance.

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204 3.05.050 Priority of funding.

205 Within the general fund during the biennial budget process available revenue will be
206 budgeted in the following priority order in order to meet the financial obligations of the
207 City of Homer:

- 208 a. Operating budget.
- 209
- 210 b. General fund – fund balance restricted.
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- 212 c. Capital asset repair and maintenance allowance fund.
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- 214 d. General fund – fund balance unrestricted.
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216 Section 3. This ordinance is of a permanent and general character and shall be
217 included in Homer City Code.

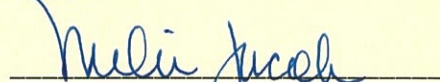
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219 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 14th day of December, 2020.
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222 CITY OF HOMER

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225 KEN CASTNER, MAYOR

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227 ATTEST:

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230 MELISSA JACOBSEN, MMC, CITY CLERK

231
232 Introduction: 11.23.20
233 Public Hearing: 12.14.20
234 Second Reading: 12.14.20
235 Effective Date: 12.15.20

236
237 YES: 6

238 NO: 0

239 ABSENT: 0

240 ABSTAIN: 0

