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**CITY OF HOMER  
HOMER, ALASKA**

Mayor

**ORDINANCE 21-31(S)(A)**

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA REMOVING THE HOMER **ACCELERATED** WATER AND SEWER PROGRAM FUNDS FROM THE SPECIAL UTILITY FUND AND CREATING A NEW FUND ACCOUNT **CONSISTENT WITH EXISTING REVENUE CODE AND REQUIRING QUARTERLY REPORTING, AND AMENDING HOMER CITY CODE 9.16 SALES TAX SECTION 9.16.010 LEVIED.**

WHEREAS, The Homer Accelerated Water and Sewer Program (HAWSP) was established by the voters to provide a dedicated source of revenue that shall be used to secure and retire financing for the construction of new water and sewer infrastructure; and

WHEREAS, The 2019 audit indicated there was a fund balance of \$2,175,750, and receivable assessments of \$3,393,907; and

WHEREAS, The Water and Sewer Fund is derived from the tariff and surcharge receipts from the water and sewer utility operations and sales; and

WHEREAS, The 2019 audit indicated an operational surplus of \$673,603, an accumulated surcharge of \$4,680,390 and capital appropriations of \$1,498,302; and

WHEREAS, The combination of the two disparate multi-million dollar activities into a single account has not provided reporting clarity and transparency to the public.

NOW THEREFORE BE IT ORDAINED:

Section 1. The HAWSP Fund shall be removed from the Special Utility Fund and be established as its own major fund, benefitting from the annual income from sales tax and assessments collected.

Section 2. Homer City Code Chapter 9.16 Section 9.16.010 Levied is hereby amended as follows:

9.16.010 Levied.

a. A consumer's sales tax in the amount of three 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.

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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 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 of street reconstruction improvements and related utilities, construction of new local roads, construction of new local trails, and maintenance of local roads and trails.

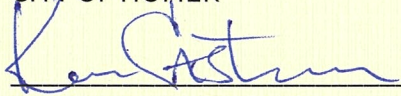
d. An additional consumer's sales tax in the amount of thirty-five hundredths of one percent is hereby levied by the City of Homer on all sales, rents and services within the City, except as the same may be otherwise exempted by law, for the purpose of funding public safety operations and infrastructure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

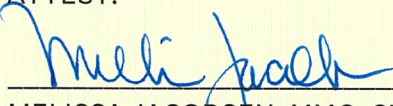
**e. The funds and fund activities described in paragraph a through d of this section, shall be separately accounted, and there shall be quarterly reports to the Homer City Council reflecting each fund's inflows and outflows, marked against their respective budgetary histories and projections.**

Section 3. Section 1 is a budget amendment ordinance and shall not be codified.

Section 4. Section 2 is of a permanent and general character and shall be included in the City Code.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this 14<sup>th</sup> day of June, 2021.

CITY OF HOMER  
  
KEN CASTNER, MAYOR

ATTEST:  
  
MELISSA JACOBSEN, MMC, CITY CLERK

85 YES: 6  
86 NO: 0  
87 ABSTAIN 0  
88 ABSENT: 0  
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90 First Reading: 5-24-21  
91 Public Hearing: 6-14-21  
92 Second Reading: 6-14-21  
93 Effective Date: 6-15-21

