

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

Smith

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4 **ORDINANCE 16-30(S-2)(A-2)**

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 OF NOT TO EXCEED \$12,000,000 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 5.15% FROM APRIL 1 THROUGH SEPTEMBER 30, WITH THE
13 INCREASE PROVIDING FUNDS TO PAY DEBT SERVICE ON THE
14 GENERAL OBLIGATION BONDS AND EXPIRING ON SEPTEMBER 30
15 OF THE YEAR WHEN THE CITY HAS RECEIVED SUFFICIENT FUNDS
16 FROM THE INCREASE TO PAY ALL OF THAT DEBT SERVICE; AND
17 SUBMITTING THE QUESTION OF THE ISSUANCE OF THE BONDS
18 AND THE SALES TAX RATE INCREASE TO THE QUALIFIED VOTERS
19 OF THE CITY AT THE OCTOBER 4, 2016 REGULAR CITY ELECTION.
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21 WHEREAS, The City of Homer (the "City") is in need of a new police station; and
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23 WHEREAS, The City Council views the acquisition and construction of a new police
24 station and related capital improvements authorized herein as necessary and beneficial to
25 the community, and determines that to fund such improvements general obligation bonds of
26 the City should be authorized, issued and sold; and
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28 WHEREAS, The City Council also deems it necessary to increase the rate of the City
29 sales tax to provide funds to pay debt service on such general obligation bonds, with the
30 increase expiring when the City has received funds from the increase that are sufficient to pay
31 all debt service on the general obligation bonds; and
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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.
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41 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
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43 Section 1. It is hereby determined to be for a public purpose and in the public interest
44 of the City to incur general obligation bonded indebtedness in an amount not to exceed
45 Twelve Million Dollars (\$12,000,000) for the purpose of paying the cost of planning, designing,
46 and constructing a new police station and related capital improvements.
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48 Section 2. The City is authorized to borrow the sum of Twelve Million Dollars
49 (\$12,000,000) to finance the capital improvements described in Section 1, and the borrowing
50 shall be evidenced by the issuance of general obligation bonds of the City. The full faith and
51 credit of the City are pledged for payment of the principal of and interest on the bonds, and
52 ad valorem taxes upon all taxable property in the City shall be levied without limitation as to
53 rate or amount to pay the principal of and interest on the bonds when due.
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55 Section 3. Homer City Code 9.16.010 is amended to read as follows:
56

57 9.16.010 Levied.

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

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

66 c. An additional consumer's sales tax in the amount of sixty five hundredths of one
67 percent is hereby levied by the City of Homer on all sales, rents and services within the City
68 from April 1 through September 30, except as the same may be otherwise exempted by law,
69 for the purpose of paying debt service on the bonds authorized by Ordinance 16-30(S-2)(A).
70 The additional consumer's sales tax shall be levied only on sales, rents and services made on
71 or before September 30 in the year when the City has received funds from the tax that are
72 sufficient to pay all debt service on the bonds.
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74 Section 4. The City shall submit the following proposition to the qualified voters of the
75 City at the October 4, 2016 regular City election. The proposition must receive an affirmative
76 vote from a majority of the qualified voters voting on the question to be approved.
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PROPOSITION NO. ____
GENERAL OBLIGATION BONDS FOR A NEW POLICE STATION
AND RELATED CAPITAL IMPROVEMENTS;
0.65% SALES TAX RATE INCREASE TO 5.15%

Shall the City of Homer incur debt and issue general obligation bonds in an amount not to exceed Twelve Million Dollars (\$12,000,000) to finance the planning, design and construction of a police station and related capital improvements; and shall the rate of City sales tax be increased by sixty five hundredths of one percent (0.65%) to five and fifteen hundredths percent (5.15%) from April 1 through September 30, for the purpose of paying debt service on the general obligation bonds, until September 30 in the year when the City has received funds from the tax that are sufficient to pay all debt service on the bonds?

The bonds shall be secured by a pledge of the full faith and credit of the City. (Ordinance 2016-30(S-2)(A))

Section 5. The proposition, both for paper ballots and machine ballots, shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate next to a space provided for marking the ballot for voting by hand or machine:

PROPOSITION NO. _____

Yes

No

Section 6. Section 2 of this ordinance shall become effective only if the proposition described in Section 4 is approved by a majority of the qualified voters voting on the proposition at the October 4, 2016 regular City election. Section 3 of this ordinance shall become effective January 1, 2017, but only if the proposition described in Section 4 is approved by a majority of the qualified voters voting on the proposition at the October 4, 2016 regular City election. The remaining sections of this ordinance shall become effective upon passage.

Section 7. Section 3 of this Ordinance is of a permanent and general character and shall be included in the City Code. The remainder of this ordinance is not of a permanent nature and as such, shall not be codified.

118 ENACTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 28 day of
119 June, 2016.

120
121 CITY OF HOMER

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124 Mary E. Wythe
125 MARY E. WYTHE, MAYOR

126
127 ATTEST:

128
129 Jo Johnson Acting City Clerk
130
131 JO JOHNSON, MMC, CITY CLERK



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134 AYES: 5
135 NOES: 0
136 ABSTAIN: 0
137 ABSENT: 1

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140 First Reading: 05/23/2016
141 Public Reading: 6/13/2016 + 6/27/2016
142 Second Reading: 6/27/2016
143 Effective Date: 6/28/2016

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146 Reviewed and approved as to form:

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149 Mary K. Koester
150 Mary K. Koester, City Manager

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149 Holly C. Wells
150 Holly C. Wells, City Attorney

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152 Date: 6.29.16

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152 Date: 7.6.16