

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

3 Mayor

4 **ORDINANCE 19-58**

5
6 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
7 TRANSFERRING \$3,101,082 FROM THE UTILITY OPERATIONS
8 FUND (200) TO THE HAWSP FUND (205) TO CORRECT THE
9 MISALLOCATION OF BEGINNING FUND BALANCE FOR THE UTILITY
10 FUND WHEN CONVERTING FROM AN ENTERPRISE FUND TO A
11 SPECIAL REVENUE FUND.

12
13 WHEREAS, The Homer Accelerated Water and Sewer (HAWSP) Fund is made up of a
14 combination of special assessment district (SAD) payments and a ¾% dedicated sales tax; and

15 WHEREAS, The HAWSP Fund is used to finance low interest loans for improvements
16 initiated through special assessment districts, including a 25% City of Homer match; and

17 WHEREAS, Concerned with over extending the HAWSP Fund, on June 27, 2016 Homer
18 City Council passed Resolution 16-074 placing a moratorium on all new water or sewer special
19 assessment districts; and

20 WHEREAS, Pent up demand for water and sewer special assessment districts has
21 motivated the Homer City Council to spend significant time and effort studying the HAWSP
22 fund to work towards reestablishing the health of the fund and reinstating special
23 assessment districts; and

24 WHEREAS, As part of those efforts, on October 14, 2019, Homer City Council approved
25 Resolution 19-072 awarding a contract for third party accounting analysis of HAWSP history
26 and reporting to the firm of Altman Rogers & Co., in the amount of \$12,800; and

27 WHEREAS, Altman & Rogers Co presented their findings to the Homer City Council
28 during a worksession on November 25, 2019; and

29
30 WHEREAS, Altman & Rogers Co. found, and management concurs, that in 2014 the City
31 of Homer deobligated HAWSP related debt in the amount of \$1,580,014 and as such the HAWSP
32 fund absorbed these costs; and

33
34 WHEREAS, Altman & Rogers Co. found, and management concurs, that when the Water
35 and Sewer Utility Fund was converted from an Enterprise Fund to a Special Revenue Fund in
36 2010 the beginning fund balances for the Utility Operations and HAWSP funds were incorrectly
37 reported and recommends a transfer of \$3,101,082 from Utility Operations (200) into HAWSP
38 (205) to properly reflect fund balance.

39

40 NOW, THEREFORE, The City of Homer Ordains:

41
42 Section 1. That the fund balance between Utility Operations and HAWSP funds be
43 correctly reported by transferring \$3,101,082, as follows:

44
45 Transfer From:

46 Fund Name:	Description:	Amount:
47 Utility Operations (200)	Transfers to	\$3,101,082

48
49 Transfer To:

50 Fund Name:	Description:	Amount:
51 HAWSP (205)	Transfers from	\$3,101,082

52
53 Section 2. This is a budget amendment ordinance, is not permanent in nature, and shall
54 not be codified.

55
56 ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA, this ____ day of _____, 2020.

57
58 CITY OF HOMER

59
60 _____
61 KEN CASTNER, MAYOR

62 ATTEST:

63
64 _____
65 MELISSA JACOBSEN, MMC, CITY CLERK

66
67 YES:

68 NO:

69 ABSTAIN:

70 ABSENT:

71
72 First Reading:

73 Public Hearing:

74 Second Reading:

75 Effective Date:

76
77 Reviewed and approved as to form:

78
79 _____
80 Katie Koester, City Manager

81
82 _____
Michael Gatti, City Attorney

83 Date: _____

84 Date: _____