

**CITY OF HOMER
HOMER, ALASKA**

Mayor

ORDINANCE 19-58

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

WHEREAS, The Homer Accelerated Water and Sewer (HAWSP) Fund is made up of a
combination of special assessment district (SAD) payments and a $\frac{3}{4}\%$ dedicated sales tax; and

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

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

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

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

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

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

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

NOW, THEREFORE, The City of Homer Ordains:

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

Transfer From:

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

Transfer To:

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

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

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

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

MELISSA JACOBSEN, MMC, CITY CLERK

YES:

NO:

ABSTAIN:

ABSENT:

First Reading:

Public Hearing:

Second Reading:

Effective Date:

Reviewed and approved as to form:

Katie Koester, City Manager

Michael Gatti, City Attorney

Date:_____

Date:_____