



City of Homer

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Memorandum

TO: Mayor Castner and Homer City Council
 FROM: Katie Koester, City Manager
 DATE: March 4, 2020
 SUBJECT: Memo on change in Ordinance 20-10(S)

The purpose of this memo is to explain to the Council, and for the record, the changes proposed in Ordinance 20-10(S), an Ordinance establishing a Library Endowment Fund with the Homer Foundation, from the original version introduced.

| ORIGINAL | SUBSTITUTE |
|---|--|
| Title | Title changes to reflect changes in ordinance |
| The \$10,000 needed to establish and 'acorn fund' with the Homer Foundation came from a combination of the Library Donation Fund (funds donated to the library and held in a separate account) and the Library CARMA fund (funds set aside for maintenance and projects at the Library) | The Library Donation Fund had significant revenue transferred into it when Council passed Ordinance 19-57(S2) closing out open projects. Three projects associated with the Library were closed out and the left over funds transferred to the donation account at the recommendation of Finance because the original funding source included some donated funds. These transfers brought the Current balance of the Library Donation fund to \$176,491. |
| Expenditure authorized is to the Homer Foundation | Substitute includes a whereas clause that explains the payment to the Homer Foundation to give Finance greater direction and as a matter of public record. |
| The ordinance created a line item for revenue and expenditures in the annual budget process so the Library Director, with the input of the LAB could spend those funds according to the criteria established in Resolution 20-020. | If the revenue is recognized in the operating budget, any unexpended funds would get swept into general fund. It is my understanding that the LAB would like the ability for funds to accumulate (with the Homer Foundation) if unexpended. As such, I do not see a way around Council needing to approve the expenditure of funds on a case by case basis. |