



City of Homer

www.cityofhomer-ak.gov

Finance Department

491 East Pioneer Avenue
Homer, Alaska 99603

finance@cityofhomer-ak.gov

(p) 907-235-8121

(f) 907-235-3140

Memorandum 21-021

TO: Mayor Castner and Homer City Council
THROUGH: Rob Dumouchel, City Manager
FROM: Elizabeth Walton, Finance Director
DATE: January 13, 2021
SUBJECT: FY20/21 Capital Budget Update

The purpose of this memo is to provide an update on the FY20/21 capital budget.

Background

Council passed Resolution 20-050 stating that all non-critical capital projects were to be delayed. As such, City Departments took that direction and postponed those non-critical projects. At the City Council meeting on January 11th, Administration stated it would bring additional information associated with the capital budget to Council at the next meeting. This memo provides Council with the update on all of the General Fund CARMA (152/156), Water and Sewer CARMA (256), and Port Reserves (452/456) capital projects that were approved for FY20 and FY21.

Per HCC 3.05.035(b), an appropriation for a capital expenditure shall continue in force until the purpose for which it is made has been accomplished or abandoned; the purpose of such appropriation shall be deemed abandoned if three years pass without disbursement or encumbrance of the appropriation. It is important to keep the second piece in mind when determining how to address FY20 capital spending already approved. Three years will lapse during FY22 and that fiscal year covers the period of July 1, 2021 – June 30, 2022.

General Fund

The FY20 capital budget for the General Fund CARMA (156) and Fleet CARMA (152) included approved projects totaling \$1,035,109. Of this approved amount, roughly \$329,952 has been spent to date. This total spend value is low, as the majority of capital projects slated for FY20 were postponed per Resolution 20-050.

Here is a chart summarizing the capital spending approved for FY20 and the status of those requests. The total spend to date value represents the actual amount that has been recorded to our general ledger and does not reflect any committed spending with vendors. For example, HPD has purchased both of their patrol vehicles, but the invoices for them have yet to be processed through accounts payable. Therefore, you will see an open amount suggesting no spending has been done to date. The completed marker has been assigned to

those projects that departments have confirmed are completed and all expenses have been recorded. The open amounts remaining on these completed projects are able to be unencumbered.

<u>Fund</u> <u>Dept A/C</u>	<u>Requests (>=\$5000) Description</u>	<u>BY</u>	<u>Approved Amount</u>	<u>Spend to Date</u>	<u>Open Amount</u>	<u>Completed</u>
	General Fund - 2020					
156-0384	Metal Security Rolling Counter Door	Clerks	3,000	-	3,000	
156-0384	Records Storage Space/Document Management System	Clerks	8,000	-	8,000	
156-0393	Self Contained Breathing Apparatus (SCBA) Replacement	HVFD	170,000	-	170,000	
156-0393	Nozzle Replacement	HVFD	15,000	11,903	3,097	x
156-0394	Microwave Link Replacement- Phase I	HPD	11,511	-	11,511	
156-0394	Cell Phone Replacement	HPD	12,320	-	12,320	
156-0394	Replace 2 Dispatch Workstations	HPD	49,409	49,409	-	x
156-0398	Departmental Servers	IT	50,000	-	50,000	
156-0385	Ballfield Maintenance (#1 of 6)	Parks	20,000	-	20,000	
156-0385	Pioneer Avenue Banners - Summer, Winter, Holiday	Parks	10,000	-	10,000	
156-0385	Fire Rings	Parks	10,000	1,500	8,500	
156-0388	Airport Roof Replacement	PW	150,000	103,672	46,328	x
156-0395	Mattox Road Gas Line Relocation	PW	20,000	-	20,000	
156-0395	Fuel Island Replacement	PW	85,000	-	85,000	
156-0395	Hornaday Park Main Restroom Prelim. Design	PW	15,000	-	15,000	
156-0387	Spit Parking Study	Council	20,000	-	20,000	
156-0394	Replace 2 Additional Dispatch Work Stations	HPD	49,408	24,704	24,704	x
156-0400	Spit Handicap/ADA vehicle parking improvement	ADA	34,560	-	34,560	
156-0369	Seawall Maintenance - ORD 20-01	Council	7,705	8,114	(409)	x
156-0385	Fuel Island Replacement - ORD 20-35(S)	Council	14,400	-	14,400	
156-0393	Fuel Island Replacement - ORD 20-35(S)	Council	10,800	-	10,800	
156-0394	Fuel Island Replacement - ORD 20-35(S)	Council	39,600	-	39,600	
156-0394	Traffic Calming Improvements - ORD 20-51	Council	7,049	-	7,049	
156-0384	Finance Office Remodel - ORD 20-77	Council	13,480	8,480	5,000	
156-0369	Seawall Maintenance - ORD 20-84	Council	16,200	11,796	4,404	
152-0382	Fleet - HPD Patrol Vehicle Replacement	HPD	53,000	29,086	23,914	
152-0382	Fleet - HPD Patrol Vehicle Replacement	HPD	53,000	-	53,000	
152-0383	Fleet - 1/3 of Asphalt Mixer Replacement	PW	26,667	26,667	-	x
152-0383	Fleet - 1/3 of Backhoe Replacement	PW	55,000	54,622	378	x
152-0383	Fleet - 1/3 of Vac Truck Brakes Modification	PW	5,000	-	5,000	
	Total 2020 General Fund Requests		1,035,109	329,952	705,157	

The FY21 capital budget for the General Fund CARMA (156) and Fleet CARMA (152) includes approved projects totaling \$466,000. Those already approved projects are detailed below.

<u>Fund</u> <u>Dept A/C</u>	<u>Requests (>=\$5000) Description</u>	<u>BY</u>	<u>Approved Amount</u>	<u>Spend to Date</u>	<u>Open Amount</u>
	General Fund - 2021				
156-0393	Lighting Upgrade	HVFD	24,000	-	24,000
156-0393	Thermal Imaging Cameras	HVFD	16,000	-	16,000
156-0387	Spit Plan (50% Planning CARMA, 50% PH Reserves)	Planning	25,000	-	25,000
152-0381	Fleet - Brush 1 Replacement	HVFD	95,000	-	95,000
152-0382	Fleet - HPD Patrol Vehicle Replacement	HPD	53,000	-	53,000
152-0382	Fleet - HPD Jail Van Replacement	HPD	53,000	-	53,000
152-0383	Fleet - Grader Replacement	PW	200,000	-	200,000
	Total 2021 General Fund Requests		466,000	-	466,000

Staff has identified a small number of additional capital purchases that they would like Council to consider for FY21. Public Works will be seeking increased funding for the replacement of a grader and sanding trucks. The Police Department will be seeking an additional patrol vehicle. Those additions will be brought forward at a future date to be determined.

Water/Sewer Fund

The FY20 capital budget for the Water and Sewer CARMA Fund (256) included approved projects totaling \$1,474,933. Of this approved amount, roughly \$244,829 has been spent to date. This total spend value is low, as several of the bigger approved projects for FY20 were passed recently by Council via Ordinance.

Here is a chart summarizing the capital spending approved for FY20 and the status of those requests. The total spend to date value represents the actual amount that has been recorded to our general ledger and does not reflect any committed spending with vendors. The completed marker has been assigned to those projects that departments have confirmed are completed and all expenses have been recorded. The open amounts remaining on these completed projects are able to be unencumbered.

Fund Dept A/C	Requests (\geq\$5000) Description	BY	Approved Amount	Spend to Date	Open Amount	Completed
	Water/Sewer - 2020					
256-0378	Comercial Meter Replacement	Water	80,000	-	80,000	
256-0378	WTP On-line and lab meters	Water	49,258	46,847	2,411	x
256-0378	Gas detection system	Water	8,000	6,468	1,532	
256-0378	Dredge for WTP	Water	10,000	-	10,000	
256-0378	Dustless Blasting Equipment	Water	6,250	6,250	-	x
256-0378	Million Gallon Water Tank Aeration System - ORD 20-56	Council	210,000	-	210,000	
256-0378	Tesoro Water Vault Upgrade - ORD 20-56	Council	100,000	-	100,000	
256-0378	Raw Water Line Replacement - Design ORD 20-56	Council	215,000	-	215,000	
256-0378	PRV Replacement West Trunk Line - ORD 20-56	Council	25,000	-	25,000	
256-0378	Fuel Island Replacement - ORD 20-35(S)	Council	7,200	-	7,200	
256-0378	Retrofit High Energy Light Fixtures - ORD 20-92	Council	18,696	-	18,696	
256-0379	Launch Ramp Lift Station enclosure	Sewer	17,500	3,826	13,674	
256-0379	STP On-line and lab meters	Sewer	39,800	26,915	12,885	
256-0379	Dustless Blasting Equipment	Sewer	6,250	6,250	-	x
256-0379	Replace Deep Shaft Air Compressor - ORD 20-57	Council	85,000	-	85,000	
256-0379	Upgrade SCADA for 7 Lift Stations - ORD 20-57	Council	210,900	-	210,900	
256-0379	WWTP Digester Blowers - ORD 20-57	Council	189,000	-	189,000	
256-0379	Fuel Island Replacement - ORD 20-35(S)	Council	7,200	-	7,200	
256-0379	Retrofit High Energy Light Fixtures - ORD 20-92	Council	16,546	-	16,546	
256-0378	Fleet - 1/3 of Asphalt Mixer Replacement	Water	26,667	26,667	-	x
256-0378	Fleet - 1/3 of Backhoe Replacement	Water	55,000	54,622	378	x
256-0378	Fleet - 1/3 of Vac Truck Brakes Modification	Water	5,000	-	5,000	
256-0379	Fleet - 1/3 of Asphalt Mixer Replacement	Sewer	26,667	26,667	-	x
256-0379	Fleet - 1/3 of Backhoe Replacement	Sewer	55,000	40,318	14,682	x
256-0379	Fleet - 1/3 of Vac Truck Brakes Modification	Sewer	5,000	-	5,000	
	Total 2020 Water and Sewer Requests		1,474,933	244,829	1,230,104	

The FY21 capital budget for the Water and Sewer CARMA Fund (256) includes approved projects totaling \$18,000. Those already approved projects are detailed below.

<u>Fund</u> <u>Dept A/C</u>	<u>Requests (>=\$5000) Description</u>	<u>BY</u>	<u>Approved Amount</u>	<u>Spend to Date</u>	<u>Open Amount</u>
	Water/Sewer - 2021				
256-0378	Data Loggers for leak detection	Water	18,000	-	18,000
	Total 2021 Water and Sewer Requests		18,000	-	18,000

Port and Harbor Fund

The FY20 capital budget for the Port Reserves Fund (456) and Fleet Reserves (452) included approved projects totaling \$82,800. Of this approved amount, roughly \$61,305 has been spent to date.

Here is a chart summarizing the capital spending approved for FY20 and the status of those requests. The total spend to date value represents the actual amount that has been recorded to our general ledger and does not reflect any committed spending with vendors. The completed marker has been assigned to those projects that departments have confirmed are completed and all expenses have been recorded. The open amounts remaining on these completed projects are able to be unencumbered.

<u>Fund</u> <u>Dept A/C</u>	<u>Requests (>=\$5000) Description</u>	<u>BY</u>	<u>Approved Amount</u>	<u>Spend to Date</u>	<u>Open Amount</u>	<u>Completed</u>
	Port and Harbor- 2020					
456-0380	Fish Grinder Outfall Line Pump	Port	19,000	17,320	1,680	x
456-0380	Snow Plow Replacement	Port	8,000	8,010	(10)	x
456-0380	Electrical Loadbank Testing Equipment	Port	6,000	5,975	25	x
456-0380	Fuel Island Replacement - ORD 20-35(S)	Council	19,800	-	19,800	
452-0374	Fleet - Manlift Replacement	Port	30,000	30,000	-	x
	Total 2020 Port Requests		82,800	61,305	21,495	

The FY21 capital budget for the Port Reserves Fund (456) and Fleet Reserves (452) includes approved projects totaling \$37,000. Those already approved projects are detailed below.

<u>Fund</u> <u>Dept A/C</u>	<u>Requests (>=\$5000) Description</u>	<u>BY</u>	<u>Approved Amount</u>	<u>Spend to Date</u>	<u>Open Amount</u>
	Port and Harbor- 2021				
456-0380	Commercial Barge Ramp Improvement	Port	6,000	-	6,000
156-0387	Spit Plan (50% Planning CARMA, 50% PH Reserves)	Council	25,000	-	25,000
	Total 2021 Port Requests		37,000	-	37,000

Discussion

Upon review of the data, the Finance Department is of the opinion that it would be appropriate for the City to resume Capital Projects as approved in the FY20/21 budget. Finance is in agreement with the conservative approach proposed in the memo and resolution from the City Manager which would have projects reviewed and released on a case-by-case basis.

Attachments

Included with this Memorandum is an attachment that provides Council with a fund balance update for each of the CARMA and Reserve funds aforementioned.