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**CITY OF HOMER
HOMER, ALASKA**

City Manager/
Public Works Director

ORDINANCE 20-35(S)

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
AMENDING THE 2020-2021 OPERATING **CAPITAL** BUDGET AND
AUTHORIZING EXPENDITURE OF \$95,000 ~~-\$81,000~~ FROM THE
HART-ROAD FUND **AND \$99,000 FROM MULTIPLE CARMA**
RESERVES TO COMPLETE THE CITY OF HOMER FUEL ISLAND
REPLACEMENT PROJECT.

WHEREAS, The ~~Public Works Department's budget for 2020-2021~~ **Capital Budget**
includes \$85,000 for the cost of fuel tanks to replace the existing Fuel Island at the Public Works
campus but insufficient funds were budgeted to cover other costs, including: design, tank
removal, remediation of potentially contaminated soils, if required, site preparation, and a
new fuel dispensing system; and

**WHEREAS, A realistic cost estimate to complete the Fuel Island Replacement
Project, has now been developed and equals \$180,000; and**

WHEREAS, The City Council adopted Resolution 17-038, on April 24, 2017, amending the
Homer Accelerated Roads and Trails Program (HART) Policy Manual; and

WHEREAS, The HART Policy Manual establishes criteria to be used for determining
which projects qualify for HART-Roads funding; and

WHEREAS, A project to replace the City's Fuel Island, would meet two of the criteria set
forth in the HART Policy Manual, namely (1) improving safety and (2) reducing maintenance
costs because the existing Fuel Island, which serves fuel to the City of Homer's entire vehicular
fleet, is 30 years old and has become a financial, environmental and safety liability for the
following reasons:

- a. The software system is no longer supported by any vendor and frequently goes down.
- b. The underground fuel storage tanks are equipped with cathodic protection anodes to
slow down the rate of corrosion on the tanks, which must be inspected every 3 years.
The next inspection is due in 2021, at an estimated cost of \$70,000 for the inspection
and new anodes. The City has been advised not to try to install new anodes because in
all likelihood, the tanks are already corroded.

WHEREAS, The HART-Roads Fund has sufficient capital to complete the Fuel Island Replacement Project; and

WHEREAS, The City created a Capital Asset Repair and Maintenance Allowance Fund ("CARMA") for "appropriation and expenditure for...major maintenance of City facilities...as identified and recommended by the City Manager and authorized by the City Council"; and

WHEREAS, the CARMA Reserve Accounts have sufficient funds for the various City departments, which use the Fuel Island, to contribute to the replacement cost, in direct proportion to their percentage, based on a 3-year average, of fuel usage; and

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The City of Homer's 2020-21 Operating **Capital** Budget is hereby amended by appropriating ~~\$95,000~~ from the HART-Roads Fund **\$180,000 as follows** to complete the Fuel Island Replacement Project.

<u>Account No.</u>	<u>Description</u>	<u>Amount</u>	
	HART Roads	\$95,000	
<u>160-xxxx</u>	<u>HART Roads</u>	<u>45%</u>	<u>\$ 81,000</u>
<u>256-0378</u>	<u>Water</u>	<u>4%</u>	<u>\$ 7,200</u>
<u>256-0379</u>	<u>Sewer</u>	<u>4%</u>	<u>\$ 7,200</u>
<u>156-0385</u>	<u>Parks</u>	<u>8%</u>	<u>\$ 14,400</u>
<u>156-0393</u>	<u>Fire</u>	<u>6%</u>	<u>\$ 10,800</u>
<u>156-0394</u>	<u>Police</u>	<u>22%</u>	<u>\$ 39,600</u>
<u>456-0380</u>	<u>Port & Harbor</u>	<u>11%</u>	<u>\$ 19,800</u>
	<u>100%</u>	<u>Total</u>	<u>\$180,000</u>

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 27th day of July, 2020.

CITY OF HOMER


KEN CASTNER, MAYOR

ATTEST:


MELISSA JACOBSEN, MMC, CITY CLERK



84 YES: 5
85 NO: 0
86 ABSTAIN: 0
87 ABSENT: 1

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90 First Reading: 6.22.20
91 Public Hearing: 7.27.20
92 Second Reading: 7.27.20
93 Effective Date: 7.28.20

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95 Reviewed and approved as to form:

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97 _____
98 Rick Abboud, Interim City Manager

s/Michael Gatti/
Michael Gatti, City Attorney

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100 Date: 7/28/2020

Date: 8/20/2020