



MEMORANDUM

Ordinance 23-34, An Ordinance of the City Council of Homer, Alaska Amending the FY23 Capital Budget by Appropriating an Additional \$26,383 from the Port Reserve Fund to Complete Work on the Rebuild of Crane #7 on Homer Fish Dock. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Meeting Date: 08 May 2023
From: Bryan Hawkins, Port Director
Through: Rob Dumouchel, City Manager

In the fall of 2022, ordinances 22-65 and 22-66 were brought to council and funding approved for the maintenance rebuild of Crane #7 on the public fish dock. The age of crane #7, the hours logged on the crane, the Port and Harbor maintenance schedule, and the crane's maintenance log all confirmed that it was overdue for maintenance. A contract for the work was awarded to Great Northern Hydraulics, LLC, based on their bid, for an amount of \$140,000. Half of this cost was offset by using 2022 Commercial Passenger Vessel Tax grant revenues and half was covered by the Port reserves.

We anticipated that the rebuild would take a minimum of two months, and communicated to Great Northern Hydraulics that it was necessary that this work be completed during the winter maintenance season as the fishing fleet heavily utilize these cranes during the fishing season, generally set to start in March.

During the course of the rebuild Great Northern Hydraulics discovered cracks and stress damage to the turret and boom cylinders that required specialized certified welding and machining (line boring), which had to be outsourced to a machine shop. Great Northern Hydraulics completed the work, even with the unexpected extra damage, and delivered a fully functional crane 7 back to the dock in time for use during this year's fishing season. However, the unexpected damage and resulting repairs put us \$26,382.10 over the budgeted amount.



Recommendation

Council approval of Ordinance 23-34 appropriating \$26,383 from the Port Reserve fund to complete the rebuild of Crane #7 project and authorize the City manager to execute the appropriate documents

Fiscal Notes:

Additional \$26,383 to be allocated from port reserve fund 456-0380

Attachments:

Ordinance 23-34
Great Northern Hydraulics Quote
Financial Supplement

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

3 City Manager/
4 Port Director

5 **ORDINANCE 23-34**

6
7 AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA,
8 AMENDING THE FY23 CAPITAL BUDGET BY APPROPRIATING AN
9 ADDITIONAL \$26,383 FROM THE PORT RESERVES FUND TO
10 COMPLETE WORK ON THE REBUILD CRANE OF #7 ON HOMER FISH
11 DOCK.
12

13 WHEREAS, Cranes on Homer's Fish Dock are used heavily during the commercial fishing
14 season, logging a total of 1,609 hours and generating \$183,840 in harbor revenue as boats gear
15 up and deliver catch for processing and sale; and
16

17 WHEREAS, Crane #7, given its age and hours logged, is overdue for a rebuild according
18 to the Port & Harbor Maintenance Schedule, which the Crane's maintenance log confirms; and
19

20 WHEREAS, The estimated cost to rebuild Crane #7 was \$140,000, and \$70,890 of the cost
21 was offset by utilizing 2022 Commercial Passenger Vessel Tax grant revenues, equaling an
22 expense from the Port Reserves in the amount of \$69,110 that was approved via council in Ord
23 22-65 & 22-66; and
24

25 WHEREAS, Great Northern Hydraulics, LLC was awarded the contract based on their
26 extensive and detailed knowledge of Fish Dock cranes through previous crane repairs
27 performed for the City, and as it was the only local business that could complete the rebuild
28 entirely within its shop in a timely manner to return the crane to public use for spring fisheries;
29 and
30

31 WHEREAS, During the rebuild process, Great Northern Hydraulics discovered cracks in
32 the turret and boom cylinder that required replacement, repair, and line boring. This
33 unforeseen damage will cost an additional \$26,383 in parts and repair hours to address the
34 issue; and
35

36 WHEREAS, Without this repair work the crane would not pass inspection or be
37 structurally sound to be used on the fish dock to do the needed work it was designed to do.
38

39 NOW, THEREFORE, THE CITY OF HOMER ORDAINS:
40

41 Section 1. The Homer City Council hereby amends the FY23 Capital Budget by
42 appropriating an additional \$26,383 to complete repairs on Fish Dock Crane #7 as follows:
43

44 Transfer from:

45 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
46 456-0380	Fish Dock Crane #7 Rebuild	\$26,383

47

48 Transfer to:

49 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
50 415-xxxx	Fish Dock Crane #7 Rebuild	\$26,383

51

52 Section 2. The existing Port Reserves encumbrance of \$69,110 is to be transferred into

53 dedicated project account as follows:

54

55 Transfer from:

56 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
57 456-0380	Fish Dock Crane #7 Rebuild	\$69,110

58

59 Transfer to:

60 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
61 415-xxxx	Fish Dock Crane #7 Rebuild	\$69,110

62

63 Section 3. The total project appropriation is \$166,383 as follows:

64

65 <u>Fund</u>	<u>Description</u>	<u>Amount</u>
66 415-xxxx	2022 Commercial Passenger Vessel Tax (CPVT) Grant	\$70,890
67 456-0380	Port Reserves – Existing Appropriation	\$69,110
68 456-0380	Port Reserves – Additional Funding	\$26,383

69

70 Section 4. The City Manager is authorized to execute the appropriate documents

71

72 Section 5. This Ordinance is a budget Ordinance only, is not permanent in nature, and

73 shall not be codified.

74

75 ENACTED BY THE HOMER CITY COUNCIL this _____ day of May, 2023.

76

77 CITY OF HOMER

78

79 _____

80 KEN CASTNER, MAYOR

81

82 ATTEST:

83

84 _____

85 MELISSA JACOBSEN, MMC, CITY CLERK

86 YES:

87 NO:

88 ABSTAIN:

89 ABSENT:

90

91 First Reading: May 8, 2023

92 Public Hearing:

93 Second Reading:

94 Effective Date:

Great Northern Hydraulics, LLC
 907-335-0045
 42720 Kenai Spur Hwy
 Kenai, AK 99611
 sales@gnhyd.com

ESTIMATE

Date	
4/19/2023	CRANE 7

Name / Address
City of Homer Port & Harbor 491 E Pioneer Avenue Homer, AK 99603

Requested by/ Project

Description	Qty	Rate	Total
ADJUSTMENT PRICING FOR THE UNFORESEEN REPAIRS OF CRANE #7 DUE TO CRACKS IN TURRET, BOOM CYLINDER, AND LINE BORE AND MACHINING OF TURRET AND MAIN BOOM.	1	26,382.10	26,382.10
<p>THIS QUOTE DOES NOT INCLUDE FREIGHT. LEAD TIME AND DELIVERY DATES BASED UPON CURRENT INFORMATION AND ARE SUBJECT TO CHANGE</p>			
		Total	\$26,382.10