

CITY OF HOMER
HOMER, ALASKA

City Manager/
Port Director

ORDINANCE 25-06

AN ORDINANCE OF THE CITY COUNCIL OF HOMER, ALASKA
AMENDING THE FY25 CAPITAL BUDGET BY APPROPRIATING AN
ADDITIONAL \$2,193 FROM THE PORT RESERVES FUND FOR THE
AMMONIA STORAGE TANK FOR THE CITY ICE PLANT.

WHEREAS, Ord 24-39 appropriated \$18,000 to purchase a secure tank to store the
coolant system ammonia safely and free of contamination, and provide an additional layer of
chemical storage safety in case of an emergency; and

WHEREAS, The appropriation included the cost to transport the ammonia tank from
Washington to Seattle, however the final transport cost exceeded the original quote of \$2,193;
and

WHEREAS, An additional appropriation is necessary to cover this additional cost.

NOW, THEREFORE, THE CITY OF HOMER ORDAINS:

Section 1. The Homer City Council hereby amends the FY25 Capital Budget by
appropriating \$2,193 as follows:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
456-0380	Ammonia Tank	\$2,193

Section 2. This ordinance is a budget amendment only, is not of a permanent nature
and is a non code ordinance.

ENACTED BY THE CITY COUNCIL OF HOMER, ALASKA this 28th day of January, 2025.

CITY OF HOMER


RACHEL LORD, MAYOR

ATTEST:


RENEE KRAUSE, MMC, CITY CLERK

44

45 YES: 5

46 NO: 0

47 ABSTAIN: 0

48 ABSENT: 1

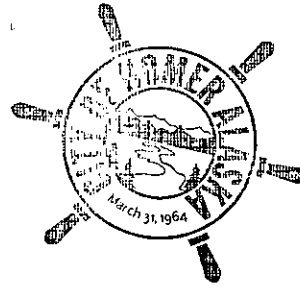
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50 First Reading: 11/3/25

51 Public Hearing: 11/27/25

52 Second Reading: 11/27/25

53 Effective Date: 11/28/25





MEMORANDUM

Ordinance 25-06, An Ordinance of the City Council of Homer, Alaska Amending the FY25 Capital Budget by Appropriating Additional \$2,193 from the Port Reserves Fund for the Ammonia Storage Tank for the City Ice Plant.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and City Council
Date: January 01, 2025
From: Bryan Hawkins, Port Director
Through: Melissa Jacobsen, City Manager

Purpose: The additional funds required to close out this project are to cover the additional shipping costs for the ammonia storage tank purchase.

The overrun was primarily due to our lack of familiarity with the logistics of the Seattle waterfront. This led to unforeseen handling costs as the 2300-pound tank passed through several intermediaries before reaching the Ice Plant. While it is frustrating to encounter a shipping cost overrun, I believe such situations are not entirely uncommon.

Looking ahead, we will make a more diligent effort to better estimate and account for these costs. However, there is often a delay between the approved appropriation and project completion, and costs can, and do, fluctuate rapidly. To prevent unnecessary strain on staff and council time going forward, I recommend incorporating a 20% contingency into our project budgets to cover similar unforeseen expenses in the future. As the funds are specific to the ordinance and project any unused dollars would stay in the fund when the project is closed out.

RECOMMENDATION: Request the Homer City Council to authorize additional funding of \$2,193 by amending the FY25 capital budget for the Ammonia Tank project.

CITY OF HOMER FINANCIAL SUPPLEMENT

PROJECT NAME	<u>Additional Funding - Ammonia Storage Tank</u>	DATE	<u>01/07/2025</u>
DEPARTMENT	<u>Port and Harbor</u>	SPONSOR	<u>City Manager/Port Director</u>
REQUESTED AMOUNT	<u>\$ 2,193</u>		

DESCRIPTION	Ordinance 24-39 appropriated funds to purchase a secure tank to store the coolant system ammonia safely and free of contamination. As well as provide an additional layer of chemical storage safety in case of an emergency. The quote we received from Lynden Transport to transport the ammonia tank from Washington to Seattle was more than the original quoted price. The total cost of the project was estimated at \$18,000 in Ordinance 24-39. Unanticipated additional shipping fees exceeded the appropriated funding by \$2,193.
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FUNDING SOURCE(S)	OPERATING	GF CARMA	GF FLEET CARMA	PORT RESERVES	WATER CARMA
	0%	0%	0%	100%	0%
	HAWSP	HART-ROADS	HART-TRAILS	PORT FLEET RESERVES	SEWER CARMA
	0%	0%	0%	0%	0%

FUNDING SOURCE 1: PORT RESERVES	FUNDING SOURCE 2:	FUNDING SOURCE 3:
Current Balance <u>\$ 1,210,631</u>	Current Balance _____	Current Balance _____
Encumbered <u>\$ 648,062</u>	Encumbered _____	Encumbered _____
Requested Amount <u>\$ 2,193</u>	Requested Amount _____	Requested Amount _____
Other Items on Current Agenda <u>\$ 34,200</u>	Other Items on Current Agenda _____	Other Items on Current Agenda _____
Remaining Balance <u>\$ 526,176</u>	Remaining Balance _____	Remaining Balance _____
FUNDING SOURCE 4:	FUNDING SOURCE 5:	FUNDING SOURCE 6:
Current Balance _____	Current Balance _____	Current Balance _____
Encumbered _____	Encumbered _____	Encumbered _____
Requested Amount _____	Requested Amount _____	Requested Amount _____
Remaining Balance _____	Remaining Balance _____	Remaining Balance _____