

CITY OF HOMER
HOMER, ALASKA

City Manager

RESOLUTION 25-083

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA ESTABLISHING
PROCEDURES FOR MANAGING SMALL CAPITAL PROJECT BUDGET
OVERAGES.

WHEREAS, The City undertakes a variety of capital projects that may encounter
unforeseen costs; and

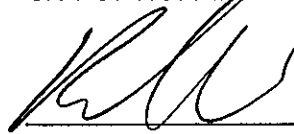
WHEREAS, It is in the City's interest to establish clear procedures for addressing minor
capital budget overages in order to maintain project schedules and ensure fiscal
accountability.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Homer, Alaska that the
following procedure for small capital budget overages is hereby established as follows:

1. Administrative Approval Threshold. The City Manager is authorized to approve capital
project budget overages up to Five Thousand Dollars (\$5,000), provided sufficient funds
are available within the adopted funding source. Such approvals shall be reported to
the City Council on a quarterly basis.
2. Council Approval Requirement. Any project overage exceeding \$5,000 shall require
prior approval of the City Council through a budget amendment.

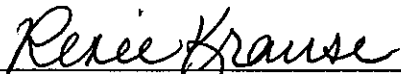
PASSED AND ADOPTED by the Homer City Council this 22nd day of September, 2025.

CITY OF HOMER



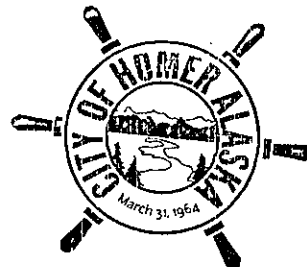
RACHEL LORD, MAYOR

ATTEST:



RENEE KRAUSE, MMC, ADAC, CITY CLERK

Fiscal note: N/A





MEMORANDUM

Resolution 25-083, A Resolution of the City Council of Homer, Alaska Establishing Procedures for Managing Small Capital Project Budget Overages. City Manager.

Item Type: Backup Memorandum
Prepared For: Mayor Lord and Homer City Council
Date: September 17, 2025
From: Melissa Jacobsen, City Manager

Issue: There are occasions where capital projects exceed Council's approved appropriation for reasons such as cost increases between the time the funding is approved and the work is completed, or because of unanticipated project costs.

Discussion: The Finance Director and I have had conversations in the instance of a small overage as to whether it's acceptable to approve them internally so as not to delay payment to the vendors for their work.

While it's necessary to keep Mayor and Council apprised of expenditures, legislation for these small overages requires staff time to create and route a memo and ordinance through necessary departments, schedule it on an agenda, introduce it, and then conduct a public hearing. In addition to staff time, advertising costs, attorney review, and time with Council, withholding payment from vendors while we move through this process can put an undue burden on them.

The purpose of this resolution is to establish a procedure that is approved by Council where these small overages can be processed internally when sufficient funds are available within the adopted funding source to pay the invoice. The resolution proposes authorizing an amount up to \$5,000 because it is the lowest threshold of spending in the Procurement Matrix in the Procurement Policy. Council can be informed of these small overages with the quarterly report, if that is preferred.

The Finance Team and I find this will create efficiency in workflows and agree that overages of \$5,000 or more need to come forward by ordinance.

RECOMMENDATION: Adopt Resolution 25-083.