

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE NO. 2018-10

CREATING BUDGET AMENDMENT #2 TO THE FISCAL YEAR 2019 BUDGET, INCREASING THE OPERATING BUDGET OF THE ELECTRIC FUND BY \$309,912 TO FUND THE ADDITION OF TWO ADDITIONAL FULL-TIME POSITIONS , AND INCREASING THE OPERATING BUDGET OF THE SOLID WASTE FUND BY \$124,686 TO FUND THE ADDITION OF ONE ADDITIONAL FULL TIME POSITION

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY19 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
- B. The following are the changes by account line item:

Amendment No. 2 to Ordinance #2018-04

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. Proprietary Funds			
Sources			
Electric Enterprise Fund - Budgeted use of unrestricted net assets	\$ -	\$ 309,912	\$ 309,912
Solid Waste Enterprise Fund - Budgeted use of unrestricted net asset	\$ 1,143,578	\$ 124,686	\$ 1,268,264
Uses			
Electric Enterprise Fund - Power Production Expenses	\$ 10,099,271	\$ 234,279	\$ 10,333,550
Electric Enterprise Fund - Power Distribution Expenses	\$ 1,316,840	\$ 75,633	\$ 1,392,473
Solid Waste Enterprise Fund Expenses	\$ 2,009,529	\$ 124,686	\$ 2,134,215

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on September 25, 2018.



Frank Kelly
Mayor

ATTEST:



Marjie Veeder
City Clerk



City of Unalaska

Summary of Budget Amendment and Schedule of Proposed Accounts

FY19 Budget Amendment 2

- 1) Electric Fund - Operating Budget
 - Add \$141,838 to Salaries & Wages and related payroll tax, insurance and employee benefit costs for an additional Powerhouse Operator I
 - Add \$168,074 to Salaries & Wages and related payroll tax, insurance and employee benefit costs for an additional Electrical Engineering Technician

- 2) Solid Waste Fund - Operating Budget
 - Add \$124,686 to Salaries & Wages and related payroll tax, insurance and employee benefit costs for an additional Solid Waste Operator I

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
1) <u>Electric Fund - Operating Budget</u>						
Sources:						
Budgeted use of unrestricted net assets	50015049	49910		-	309,912.00	309,912.00
Uses:						
<i>Power Production:</i>						
Salaries and Wages	50024151	51100		642,542.00	117,257.00	759,799.00
Overtime	50024151	51300		70,781.00	17,281.00	88,062.00
Health Insurance Benefit	50024151	52100		224,786.00	46,148.00	270,934.00
FICA & Medicare Employer Match	50024151	52200		54,569.00	10,291.00	64,860.00
PERS Employer Contribution	50024151	52300		193,977.00	36,463.00	230,440.00
Unemployment Insurance	50024151	52400		2,982.00	612.00	3,594.00
Workers Compensation	50024151	52500		25,751.39	5,361.00	31,112.39
Other Employee Benefits	50024151	52900		4,213.00	865.00	5,078.00
<i>Line Repair and Maintenance:</i>						
Salaries and Wages	50024251	51100		489,200.00	40,473.00	529,673.00
Overtime	50024251	51300		51,219.00	4,219.00	55,438.00
Health Insurance Benefit	50024251	52100		162,263.00	13,397.00	175,660.00
FICA & Medicare Employer Match	50024251	52200		41,342.00	3,419.00	44,761.00
PERS Employer Contribution	50024251	52300		148,497.00	12,140.00	160,637.00
Unemployment Insurance	50024251	52400		2,153.00	178.00	2,331.00
Workers Compensation	50024251	52500		20,174.84	1,557.00	21,731.84
Other Employee Benefits	50024251	52900		3,041.00	251.00	3,292.00
2) <u>Solid Waste Fund - Operating Budget</u>						
Sources:						
Budgeted use of unrestricted net assets	53016549	49910		1,143,578.00	124,686.00	1,268,264.00
Uses:						
Salaries and Wages	53024751	51100		393,190.00	55,684.00	448,874.00
Overtime	53024751	51300		60,000.00	12,000.00	72,000.00
Health Insurance Benefit	53024751	52100		148,865.00	29,773.00	178,638.00
FICA & Medicare Employer Match	53024751	52200		36,741.00	5,178.00	41,919.00
PERS Employer Contribution	53024751	52300		122,232.00	18,254.00	140,486.00
Unemployment Insurance	53024751	52400		2,246.00	395.00	2,641.00
Workers Compensation	53024751	52500		17,063.22	2,844.00	19,907.22
Other Employee Benefits	53024751	52900		3,250.00	558.00	3,808.00

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
THRU: THOMAS THOMAS, CITY MANAGER
DATE: SEPTEMBER 7, 2018
RE: ORDINANCE NO. 2018-10– BUDGET AMENDMENT ADDING TWO FULL TIME PERMANENT POSITIONS TO THE EMPLOYEE ROSTER OF THE POWER PRODUCTION DIVISION OF THE DEPARTMENT OF PUBLIC UTILITIES AND TO FUND THE ADDITIONAL POSITIONS IN THE FY2019 OPERATING BUDGET IN THE AMOUNT OF \$309,912

SUMMARY: Through this Ordinance, Staff requests funding for two additional full time permanent positions in the Power Production Division of Department of Public Utilities. The total estimated cost to add one Power Plant Operator 1 position and one Electrical Engineer Technician position for FY2019 is approximately \$309,912.

PREVIOUS COUNCIL ACTION: Council approved the FY 2019 Operating Budget for the Power Production Division of the Department of Public Utilities on May 22, 2018, via Ordinance 2018-04.

Council authorized the following positions in the Power Production Division for FY19:

- 1 - Electrical Engineer Technician
- 1 - Heavy Equipment Mechanic
- 3 - Power Plant Operator 1
- 2 - Power Plant Operator 2
- 1 - Power Plant Operator 3 (This employee serves as the Supervisor for the Power Production Division)

BACKGROUND: The New Powerhouse was installed and commissioned in 2009, adding a new facility to maintain. A new Cat C-280 Gen/Set was installed in 2012, bringing the number of power generating units to four.

Three Organic Rankin Cycle (ORC) waste heat recovery generators were also added to the process in 2012, which are located in the Old Powerhouse.

The burden on operators to maintain compliance with environmental and safety regulations has continued to increase. New permitting requirements added to the seawater cooling

water discharge monitoring, which is also in the Old Powerhouse, have also increased the workload.

Since 2009, annual power production has increased by about 70%; however, no new employees have been added to compensate for the increased work.

The recently completed Electric Utility Master Plan included recommendations to add to the staffing at the Powerhouse for safety, efficiency and morale reasons.

DISCUSSION: The Powerhouse operates 24 hours per day, seven days a week utilizing six operators, not counting the Supervisor. The 24 hours are divided between three, eight hour shifts, and normal work hours for an operator are 40 hours per week or five, eight hour days.

In FY2018, Staff conducted two analysis of the Powerhouse workload. The first analysis focused on the operator's tasks that are performed to run the Powerhouse in a safe and environmental friendly way. Once the tasks were identified, Staff calculated the time it took to complete each task. The data shows that the Operator 3, who is the Powerhouse Supervisor and also performs operator duties, needs 40 hours per week to perform the supervisor duties. Currently, the Supervisor divides his time evenly (50/50) between supervisor duties and operator duties. Due to increased environmental reporting, supply and parts ordering for rebuilds, and supervisor duties pertaining to employees, it is more realistic for the Supervisor to focus more on Supervisor duties than on operating the Plant.

The operator task analysis also shows that 387 weekly man hours are needed to perform the operator tasks in a given week. The Powerhouse has six operators or a total of 240 man hours per five day work week. Operators get two consecutive days off per week and two operators are off at any given time. This reduces the available man hours to 160 hours per five day work week. If an operator takes personal leave, this reduces the available man hours by another 40 hours per week and causes an increase in overtime. According to Staff's analysis, the Powerhouse has a shortage of 2.7 Operators.

Powerhouse Operators are frequently required to work multiple shifts, resulting in fatigue that can affect employee safety; not just their safety, but their coworkers' safety as well. It is often difficult for employees to schedule time away from work, including vacations. When employees are on vacation, call in sick, or the need to attend required training, the work schedule must be adjusted for the remaining employees and generally requires them to work multiple shifts. This becomes especially troublesome when the Operator/Mechanic is gone due to vacation or training. When this happens and a mechanical issue arises, the Supervisor is forced to call in outside help to perform the needed work.

Staff recommends hiring one additional Operator 1 for the Powerhouse. This new Operator 1 position will provide the needed help for operations and also the flexibility to train the new Operator or an existing Operator in mechanical duties.

Staff's second analysis focused on the Electrical Engineer Technician job. The analysis was conducted in the same manner as the operator analysis.

The Electrical Engineer Technician position is critical to plant operations. This position focuses directly on the technical aspects of the power plant, including electrical maintenance, communications and protective relaying as well as provides occasional technical support for the Electric Distribution, Water, Wastewater, and Solid Waste Utilities. The Electrical Engineer Technician is scheduled to work eight hours per day, five days a week.

The data from the analysis shows that it takes 78 hours per work week or 15.6 hours per day to accomplish the needed Electrical Engineer Technician tasks. This equates to two employees working eight hour shifts per day.

Overtime Wages for the Electrical Engineer Technician position have been high, averaging 21% of the total expenses for Salary & Wages. Efforts were made to reduce Overtime Wages due to budgetary constraints, however this policy resulted in delays in completing critical work and some outsourcing of work, adding to the Utility's overall operating expenses.

The Electric Master Plan was completed in FY2018 and confirms Staff's analysis: "Multiple plant operators mentioned to EPS that they often work extra shifts and it is difficult to schedule time away from work. While the reality of this has not been detailed for this report, comments such as this can be indicative of understaffing.

One example of an alternative staffing plan is to hire a mechanic and an electrical technician. These positions would fill some of the voids already mentioned and could also serve as back-up operators in the event of problems or sickness. Additionally, if these additional positions worked the second or third shifts, it would greatly alleviate the hazards of working alone that the operators currently are exposed."

Staff recommends hiring an additional Electrical Engineer Technician in the Power Production Division. This employee will perform the needed electrical work in the Powerhouse under the Powerhouse Supervisor's direction.

ALTERNATIVES: Between the findings of Staff's analysis and the recommendations of the Master Plan, as well as employees working multiple shifts on Overtime and the safety concerns this brings, Staff believes adding two positions is prudent.

FINANCIAL IMPLICATIONS: The estimated cost to fund these 2 positions is \$309,912 including all benefits.

Annual Cost For Powerhouse Operator 1										
Powerhouse Operator 1	Saleries & Wages	Pers	Taxes	Insurance	302 Union	Over Time & Shift Diff	Airfare	AES	Workmans Comp	Total
2080 hrs x \$31.87	\$ 66,289	\$ 21,626	\$ 6,113	\$ 29,773	\$ 558	\$ 12,125	\$ 1,500	\$ 395	\$ 3,459	\$141,838

Annual Cost For Powerhouse Electrical Technician										
Powerhouse Electrical Tech	Saleries & Wages	Pers	Taxes	Insurance	302 Union	Over Time	Airfare	AES	Workmans Comp	Total
2080 hrs x \$42.52	\$ 88,441	\$ 26,977	\$ 7,597	\$ 29,772	\$ 558	\$ 9,375	\$ 1,500	\$ 395	\$ 3,459	\$168,074

With the approval of the FY2019 Budget, Council authorized 170.17 full time employees (FTE). This included 156 full-time permanent positions (156 FTE), 29 part-time positions (6.67 FTE), 11 temporary or seasonal positions (5.5 FTE), as well as 2 pending and unbudgeted positions (2 FTE).

Through the approval of this Ordinance, and the Ordinance to add one full time employee to the Solid Waste Division, the full time employees (FTE) will increase to 173.17. This includes 159 full-time permanent positions (159 FTE), 29 part-time positions (6.67 FTE), 11 temporary or seasonal positions (5.5 FTE), as well as 2 pending and unbudgeted positions (2 FTE).

LEGAL: N/A.

STAFF RECOMMENDATION: Staff recommends the adoption of Ordinance 2018-10.

PROPOSED MOTION: I approve to adopt Ordinance 2018-10.

CITY MANAGER'S COMMENTS: The City Manager recommends Council approve this ordinance.

MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
FROM: DAN WINTERS, DIRECTOR OF PUBLIC UTILITIES
THRU: THOMAS THOMAS, CITY MANAGER
DATE: SEPTEMBER 7, 2018
RE: ORDINANCE NO. 2018-10 – A BUDGET AMENDMENT REQUEST TO ADD TO THE EMPLOYEE ROSTER OF THE SOLID WASTE OPERATIONS DIVISION OF THE DEPARTMENT OF PUBLIC UTILITIES AND TO FUND THE ADDITIONAL FULL TIME PERMANENT EMPLOYEE IN THE FY2019 OPERATING BUDGET OF THE SOLID WASTE DIVISION OF THE DEPARTMENT OF PUBLIC UTILITIES IN THE AMOUNT OF \$124,686

SUMMARY: Through this Ordinance, staff requests the addition of one full-time, permanent employee and \$124,686 in funding for the same in the Solid Waste Division of the Department of Public Utilities. The total estimated cost to add one Solid Waste Operator 1 is calculated at \$124,686 for FY2019.

PREVIOUS COUNCIL ACTION: Council approved the Fiscal Year 2019 Operating Budget for the Solid Waste Division of the Department of Public Utilities on May 22, 2018, via Ordinance 2018-04. Within the Fiscal Year 2019 Budget, Staff increased the number of Solid Waste Operations' full-time permanent employees by one. In doing so, Council has authorized the FY19 budget funding the following positions in the Solid Waste Division:

- 1 – Solid Waste Operator 1 – Temporary/Seasonal at 90 day intervals.
- 2 – Solid Waste Operator 1
- 1 - Solid Waste Operator 2
- 1 - Solid Waste Operator 3
- 1 – Solid Waste Supervisor

BACKGROUND: Since FY1998, the Solid Waste Division has operated with 4 full-time permanent employees and one seasonal temporary employee. Meanwhile, the footprint of the Landfill has grown considerably and regulations governing the acceptance and handling of Solid Waste have significantly increased. Infrastructure, such as the Baler and the Leachate tank and its associated facility, has been constructed at the Landfill while the waste stream has increased in volume and diversity. Crews now operate the baler bagger, tire shredder, wood chipper, and bulb crusher in addition to receiving, processing, baling and

placing garbage into the Cells. In addition, the Composting Project will begin to ramp up this Fiscal Year.

Due to lack of personnel, the management of special waste like the baling of tires has been a low priority while Staff focuses on the core mission of managing incoming waste and insuring the safe operation and the upkeep of the Baler.

Despite these personnel shortages, the Landfill received a score of 99% during its last inspection by ADEC. This is mainly due to the extreme dedication and hard work of the Landfill Supervisor, Mr. William “BJ” Cross, and his staff. I wish to commend Mr. Cross for his service to the Utility and the Community.

In FY2018, the Solid Waste Master Plan was completed, dictating that we add two full time, permanent employees to the Solid Waste Operations Division. It was decided at that time to add one new employee via the FY2019 Operating Budget and reevaluate after one year. However, Council has expressed their desire to adhere to the Master Plan and hire two full-time permanent employees as specified.

DISCUSSION: The Solid Waste Facility operates five days per week, Tuesday through Saturday. The Solid Waste staff work eight hour days or 40 hours per week. Each of the three current long-term staff members is allowed to take up to 30 days of personal leave per year. Due to the low staffing numbers, one person’s personal leave cannot overlap another person’s personal leave by more than one week.

In January of 2018, Staff conducted a job analysis of the Solid Waste Division. The analysis focused on operator tasks required to run the Solid Waste Utility in a safe and environmental friendly way. Once the tasks were identified, Staff calculated the time it took to complete each task. The data from the analysis shows that it takes 52.2 hours per day to accomplish routine daily tasks. This equates to 6.6 personnel at eight hour work days. At the time of the analysis, the Division was staffed with three Operators and one Supervisor, which equates to a shortage of 2.6 employees. At the beginning of this Fiscal Year, one Solid Waste Operator 1 position was added, which increases the number of operators to four. This additional employee decreased the efficiency to an employee shortage of 1.6 persons.

Overtime has steadily increased over the last three fiscal years and a record high was achieved in FY2018 at 616 hours of overtime totaling \$36,516. Consequently, the Landfill crew is under pressure to perform and burnt out from overwork, creating a higher likelihood of accidents and injuries as well as decreasing their quality of life.

The Solid Waste Master Plan was completed in FY21018, which confirms Staff’s analysis. The Master Plan states that: “Solid Waste Division is short staffed. There are significant pumping/piping problems in the incoming and outgoing leachate piping that need to be systematically investigated and addressed. Investigation of these issues is kept on the backburner, and management of special wastes like baling of tires have been postponed to focus on the core mission of managing incoming waste and keeping the baler system

running.” “The tons of waste landfilled since 2000 has increased by over 40 percent. Landfill staff is highly stressed year round and when employees take vacations or on extended sick or injury leave, the stress is even more amplified.”

Through this Ordinance, Staff requests both the addition of one full-time, permanent Solid Waste Operator 1 position to the employee roster for Solid Waste Operations and the necessary funding of \$124,686 for the position in FY2019.

ALTERNATIVES: Between the outcome of Staff’s job analysis and the recommendations of the Master Plan, Staff believes there is no other alternative to adding the one position as directed by the Council.

FINANCIAL IMPLICATIONS: The annual cost to fund this position is \$124,686 including all benefits. This figure was arrived at by using FY19 budget estimates and applying them to the FY19 entry level wage for the position.

Annual Cost For Solid Waste Operator 1										
Solid Waste Operator 1	Saleries & Wages	Pers	Taxes	Insurance	302 Union	Over Time	Airfare	AES	Workmans Comp	Total
2080 hrs x \$26.05	\$ 54,184	\$ 18,254	\$ 5,178	\$ 29,773	\$ 558	\$ 12,000	\$ 1,500	\$ 395	\$ 2,844	\$124,686

With the approval of the FY2019 Budget, Council authorized 170.17 full time employees (FTE). This included 156 full-time permanent positions (156 FTE), 29 part-time positions (6.67 FTE), 11 temporary or seasonal positions (5.5 FTE), as well as 2 pending and unbudgeted positions (2 FTE).

Through the approval of this Ordinance and the Ordinance to add two full time employees to the Power Production Division, the Full Time Employees (FTE) will increase to 173.17. This includes 159 full-time permanent positions (159 FTE), 29 part-time positions (6.67 FTE), 11 temporary or seasonal positions (5.5 FTE), as well as 2 pending and unbudgeted positions (2 FTE).

LEGAL: N/A.

STAFF RECOMMENDATION: Staff recommends adopting Ordinance 2018-10.

PROPOSED MOTION: I move to adopt Ordinance 2018-10.

CITY MANAGER’S COMMENTS: The City Manager recommends Council approve this ordinance.