

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2022-17

CREATING BUDGET AMENDMENT #2 TO THE FISCAL YEAR 2023 BUDGET TO (1) INCREASE WAGES, FRINGE BENEFITS AND ASSOCIATED STATE OF ALASKA PERS CONTRIBUTIONS FOR IUOE LOCAL 302 UNION EMPLOYEES COVERING INCREASED WAGE SCALES, LONGEVITY BONUSES AND EDUCATION INCENTIVES FOR THREE COLLECTIVE BARGAINING UNIT AGREEMENTS; (2) RECOGNIZING LOCAL SUPPORT REVENUE OF \$10,834 FROM APIA IN THE GENERAL FUND AND INCREASING THE PCR OPERATING BUDGET BY \$10,834 FOR THE SENIOR EXERCISE PROGRAM; (3) INCREASING MAYOR AND COUNCIL BUDGET BY \$75,000 TO FULLY FUND TWO COMMUNITY FIREWORKS SHOWS; (4) APPROPRIATING AN ADDITIONAL \$252,154 FROM THE ELECTRIC PROPRIETARY FUND FOR THE GENERATOR SETS REBUILD PROJECT; AND (5) APPROPRIATING AN ADDITIONAL \$526,447 FROM THE WATER PROPRIETARY FUND FOR THE PYRAMID WATER TREATMENT PLANT CHLORINE UPGRADE PROJECT

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 FY23 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 2022-10**

	Current	Requested	Revised
<b>I. OPERATING BUDGETS</b>			
<b>A. General Fund</b>			
Sources			
Local Support - APIA	\$ -	\$ 10,834	\$ 10,834
General Fund - Appropriated Fund Balance	6,224,748	957,232	7,181,980
PERS Non-Employer Contribution	747,381	45,398	792,779
	<u>\$ 6,972,129</u>	<u>\$ 1,013,464</u>	<u>\$ 7,985,593</u>
Uses			
Mayor & Council	\$ 432,215	\$ 75,000	\$ 507,215
Clerks	555,515	22,719	578,234
Finance/IS	2,126,285	129,332	2,255,617
Planning	779,777	21,690	801,467
Public Works	6,177,533	418,570	6,596,103
Parks, Culture & Recreation	3,552,906	346,153	3,899,059
	<u>\$ 13,624,231</u>	<u>\$ 1,013,464</u>	<u>\$ 14,637,695</u>
<b>B. Proprietary Funds</b>			
Sources			
Electric Fund - Budgeted use of unrestricted net assets	\$ 3,753,863	\$ 630,832	\$ 4,384,695
Electric Fund - PERS Non-Employer Contribution	145,573	22,311	167,884
Water Fund - Budgeted use of unrestricted net assets	1,644,562	622,988	2,267,550
Water Fund - PERs Non-Employer Contribution	69,642	5,187	74,829
Wastewater Fund - Budgeted use of unrestricted net assets	1,336,158	102,789	1,438,947
Wastewater Fund - PERS Non-Employer Contribution	62,218	5,288	67,506
Solid Waste Fund - Budgeted use of unrestricted net assets	1,429,039	102,467	1,531,506
Solid Waste Fund - PERS Non-Employer Contribution	61,587	5,505	67,092
Ports Fund - Budgeted use of unrestricted net assets	4,235,063	47,574	4,282,637
Ports Fund - PERS Non-Employer Contribution	99,018	2,674	101,692
Airport Fund - Budgeted use of unrestricted net assets	310,348	18,869	329,217
Airport Fund - PERS Non-Employer Contribution	11,409	991	12,400
Housing Fund - Budgeted use of unrestricted net assets	324,744	12,538	337,282
Housing Fund - PERS Non-Employer Contribution	9,399	648	10,047
	<u>\$ 13,492,623</u>	<u>\$ 1,580,661</u>	<u>\$ 15,073,284</u>

	Current	Requested	Revised
Uses			
Transfers to Electric Project	\$ 883,112	\$ 252,154	\$ 1,135,266
Electric Fund - Utility Administration Expenses	5,868,123	74,911	5,943,034
Electric Fund - Power Production Expenses	12,227,482	110,627	12,338,109
Electric Fund - Power Distribution Expenses	1,199,561	203,310	1,402,871
Electric Fund - Vehicle Maintenance	62,557	4,799	67,356
Electric Fund - Facilities Maintenance	126,078	7,342	133,420
Transfers to Water Project	791,061	526,447	1,317,508
Water Fund - Utility Administration Expenses	1,870,677	39,123	1,909,800
Water Fund - Operating Expenses	1,596,254	57,426	1,653,680
Water Fund - Vehicle Maintenance	38,322	2,797	41,119
Water Fund - Facilities Maintenance	59,390	2,382	61,772
Wastewater Fund - Utility Administration Expenses	1,958,143	32,763	1,990,906
Wastewater Fund - Operating Expenses	1,998,824	70,503	2,069,327
Wastewater Fund - Vehicle Maintenance	30,251	2,204	32,455
Wastewater Fund - Facilities Maintenance	60,661	2,607	63,268
Solid Waste Fund - Utility Administration Expenses	1,673,007	19,174	1,692,181
Solid Waste Fund - Operating Expenses	1,962,110	71,900	2,034,010
Solid Waste Fund - Vehicle Maintenance	147,021	8,907	155,928
Solid Waste Fund - Facilities Maintenance	112,313	7,991	120,304
Ports Fund - Harbor Office Expenses	7,024,257	42,807	7,067,064
Ports Fund - Vehicle Maintenance	62,479	4,209	66,688
Ports Fund - Facilities Maintenance	52,096	3,232	55,328
Airport Fund - Admin/Operating Expenses	678,188	5,202	683,390
Airport Fund - Facilities Maintenance	169,289	14,658	183,947
Housing Fund - Admin/Operating Expenses	403,530	1,054	404,584
Housing Fund - Facilities Maintenance	179,113	12,132	191,245
	<u>\$ 41,233,899</u>	<u>\$ 1,580,661</u>	<u>\$ 42,814,560</u>

## II. CAPITAL PROJECT BUDGETS

### A. Public Utilities - Project Budgets

Electric Projects - Generator Sets Rebuild (EL23B)

Sources

Transfers from Electric Operating	\$ 750,000	\$ 252,154	\$ 1,002,154
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Uses

Generator Sets Rebuild (FY23) Project	\$ 750,000	\$ 252,154	\$ 1,002,154
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Water Projects - Pyramid WTP Chlorine Upgrade (WA21A)

Sources

Transfers from Water Operating	\$ 981,500	\$ 526,447	\$ 1,507,947
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Uses

Pyramid WTP Chlorine Upgrade	\$ 981,500	\$ 526,447	\$ 1,507,947
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PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on October 11, 2022.

\_\_\_\_\_  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

\_\_\_\_\_  
Marjie Veeder, CMC  
City Clerk

- 1) General Fund - Operating Budget
  - Add \$927,630 for 302 Wages & Benefits
  - Add \$10,834 to Rec Program Temp Employees for APIA senior exercise program
  - Add \$75,000 to Council Supplies for fireworks
- 2) Proprietary Funds - Operating Budgets
  - Add \$802,060 for 302 Wages & Benefits
  - Add \$252,154 for Electric Transfers to Capital Projects
  - Add \$526,447 for Water Transfers to Capital Projects
- 3) Electric Fund - Capital Projects Budget
  - Add \$252,154 for Generator Sets Rebuild Project (FY23)
- 4) Water Fund - Capital Projects Budget
  - Add \$526,447 for Pyramid WTP Chlorine Upgrades Project

	<u>Org</u>	<u>Object</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>1) General Fund - Operating Budget</b>					
<b>Sources:</b>					
PCR Private Contributions	01012047	47400	0	10,834	10,834
Appropriated Fund Balance	01010049	49900	6,224,748	957,232	7,181,980
PERS Non-Employer Contributions	01010041	42355	747,381	45,398	792,779
<b>Uses:</b>					
<b>Mayor &amp; Council</b>					
General Supplies	1020152	56100	40,000	75,000	115,000
<b>Clerks</b>					
Salaries and Wages	01020551	51100	245,361	17,151	262,512
FICA & Medicare Emplr Match	01020551	52200	20,034	1,127	21,161
PERS Employer Contribution	01020551	52300	72,523	4,441	76,964
<b>Finance</b>					
Salaries and Wages	01020651	51100	563,254	79,920	643,174
FICA & Medicare Emplr Match	01020651	52200	44,520	6,113	50,633
PERS Employer Contribution	01020651	52300	165,936	21,683	187,619
<b>Information Systems</b>					
Salaries and Wages	01020751	51100	222,443	16,029	238,472
FICA & Medicare Emplr Match	01020751	52200	17,429	1,224	18,653
PERS Employer Contribution	01020751	52300	61,182	4,363	65,545
<b>Planning</b>					
Salaries and Wages	01020851	51100	377,871	15,745	393,616
FICA & Medicare Emplr Match	01020851	52200	30,231	1,204	31,435
PERS Employer Contribution	01020851	52300	107,905	4,741	112,646
<b>DPW Administration</b>					
Salaries and Wages	01022051	51100	335,094	27,324	362,418
FICA & Medicare Emplr Match	01022051	52200	25,946	2,091	28,037
PERS Employer Contribution	01022051	52300	98,233	7,322	105,555
<b>Roads</b>					
Salaries and Wages	01022251	51100	877,263	113,999	991,262
Temporary Employees	01022251	51200	36,088	3,609	39,697
FICA & Medicare Emplr Match	01022251	52200	73,314	9,000	82,314
PERS Employer Contribution	01022251	52300	271,671	29,507	301,178

	<u>Org</u>	<u>Object</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>Supply</b>					
Salaries and Wages	01022351	51100	156,157	43,065	199,222
FICA & Medicare Emplr Match	01022351	52200	12,184	2,926	15,110
PERS Employer Contribution	01022351	52300	46,712	10,590	57,302
<b>Vehicle Maintenance</b>					
Salaries and Wages	01022851	51100	436,092	58,914	495,006
FICA & Medicare Emplr Match	01022851	52200	34,542	4,509	39,051
PERS Employer Contribution	01022851	52300	131,499	13,745	145,244
<b>Facilities Maintenance</b>					
Salaries and Wages	01022951	51100	458,731	69,200	527,931
Temporary Employees	01022951	51200	40,459	2,080	42,539
FICA & Medicare Emplr Match	01022951	52200	39,729	5,266	44,995
PERS Employer Contribution	01022951	52300	139,335	15,423	154,758
<b>Rec Programs</b>					
Salaries and Wages	01023251	51100	355,454	77,783	433,237
Temporary Employees	01023251	51200	30,000	10,834	40,834
FICA & Medicare Emplr Match	01023251	52200	31,170	5,216	36,386
PERS Employer Contribution	01023251	52300	102,209	19,326	121,535
<b>Community Center</b>					
Salaries and Wages	01023351	51100	375,009	106,968	481,977
FICA & Medicare Emplr Match	01023351	52200	30,216	7,266	37,482
PERS Employer Contribution	01023351	52300	84,030	18,460	102,490
<b>Library</b>					
Salaries and Wages	01023451	51100	328,059	60,122	388,181
FICA & Medicare Emplr Match	01023451	52200	26,512	4,600	31,112
PERS Employer Contribution	01023451	52300	80,299	14,299	94,598
<b>Aquatics Center</b>					
Salaries and Wages	01023551	51100	249,388	15,446	264,834
FICA & Medicare Emplr Match	01023551	52200	19,459	1,182	20,641
PERS Employer Contribution	01023551	52300	52,574	4,651	57,225
<b>2) Electric Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	50015049	49910	3,753,863	630,832	4,384,695
PERS Non-Employer Contributions	50015041	42355	145,573	22,311	167,884
<b>Uses:</b>					
<b>Transfers Out</b>					
Transfers to Enterprise Capital Projects	50029854	49940	883,112	252,154	1,135,266
<b>Electric - Utility Administration</b>					
Salaries and Wages	50024051	51100	427,003	55,994	482,997
FICA & Medicare Emplr Match	50024051	52200	32,942	4,136	37,078
PERS Employer Contribution	50024051	52300	124,669	14,781	139,450
<b>Electric Production</b>					
Salaries and Wages	50024151	51100	754,648	83,038	837,686
FICA & Medicare Emplr Match	50024151	52200	60,962	6,077	67,039
PERS Employer Contribution	50024151	52300	233,230	21,512	254,742
<b>Electric Line Repair</b>					
Salaries and Wages	50024251	51100	512,815	149,310	662,125
FICA & Medicare Emplr Match	50024251	52200	42,137	9,645	51,782
PERS Employer Contribution	50024251	52300	162,569	44,355	206,924

	<b>Org</b>	<b>Object</b>	<b>Current</b>	<b>Requested</b>	<b>Revised</b>
<b>Electric (Vehicle Maint.)</b>					
Salaries and Wages	50022851	51100	27,153	3,665	30,818
FICA & Medicare Emplr Match	50022851	52200	2,150	279	2,429
PERS Employer Contribution	50022851	52300	8,187	855	9,042
<b>Electric (Facilities Maint.)</b>					
Salaries and Wages	50022951	51100	39,516	5,587	45,103
FICA & Medicare Emplr Match	50022951	52200	3,116	425	3,541
PERS Employer Contribution	50022951	52300	11,815	1,330	13,145
<b>Water Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	51015549	49910	1,644,562	622,988	2,267,550
PERS Non-Employer Contributions	51015541	42355	69,642	5,187	74,829
<b>Uses:</b>					
<b>Transfers Out</b>					
Transfers to Enterprise Capital Projects	51029854	59940	791,061	526,447	1,317,508
<b>Water - Utility Administration</b>					
Salaries and Wages	51024051	51100	262,704	29,248	291,952
FICA & Medicare Emplr Match	51024051	52200	20,189	2,164	22,353
PERS Employer Contribution	51024051	52300	76,236	7,711	83,947
<b>Water - Operations</b>					
Salaries and Wages	51024351	51100	562,496	40,856	603,352
Temporary Employees	51024351	51200	28,714	2,881	31,595
FICA & Medicare Emplr Match	51024351	52200	47,866	3,073	50,939
PERS Employer Contribution	51024351	52300	173,733	10,616	184,349
<b>Water (Vehicle Maint.)</b>					
Salaries and Wages	51022851	51100	15,839	2,136	17,975
FICA & Medicare Emplr Match	51022851	52200	1,256	161	1,417
PERS Employer Contribution	51022851	52300	4,775	500	5,275
<b>Water (Facilities Maint.)</b>					
Salaries and Wages	51022951	51100	12,824	1,810	14,634
FICA & Medicare Emplr Match	51022951	52200	999	142	1,141
PERS Employer Contribution	51022951	52300	3,816	430	4,246
<b>Wastewater Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	52016049	49910	1,336,158	102,789	1,438,947
PERS Non-Employer Contributions	52016041	42355	62,218	5,288	67,506
<b>Uses:</b>					
<b>Wastewater - Utility Administration</b>					
Salaries and Wages	52024051	51100	219,066	24,515	243,581
FICA & Medicare Emplr Match	52024051	52200	16,774	1,805	18,579
PERS Employer Contribution	52024051	52300	63,636	6,443	70,079
<b>Wastewater - Operations</b>					
Salaries and Wages	52024551	51100	501,855	51,331	553,186
Temporary Employees	52024551	51200	28,714	2,881	31,595
FICA & Medicare Emplr Match	52024551	52200	43,224	3,967	47,191
PERS Employer Contribution	52024551	52300	156,982	12,324	169,306
<b>Wastewater (Vehicle Maint.)</b>					
Salaries and Wages	52022851	51100	12,442	1,684	14,126
FICA & Medicare Emplr Match	52022851	52200	988	127	1,115
PERS Employer Contribution	52022851	52300	3,751	393	4,144

	<b>Org</b>	<b>Object</b>	<b>Current</b>	<b>Requested</b>	<b>Revised</b>
<b>Wastewater (Facilities Maint.)</b>					
Salaries and Wages	52022951	51100	13,995	1,981	15,976
FICA & Medicare Emplr Match	52022951	52200	1,721	154	1,875
PERS Employer Contribution	52022951	52300	6,629	472	7,101
<b>Solid Waste Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	53016549	49910	1,429,039	102,467	1,531,506
PERS Non-Employer Contributions	53016541	42355	61,587	5,505	67,092
<b>Uses:</b>					
<b>Solid Waste - Utility Administration</b>					
Salaries and Wages	53024051	51100	179,631	14,359	193,990
FICA & Medicare Emplr Match	53024051	52200	13,709	1,057	14,766
PERS Employer Contribution	53024051	52300	52,073	3,758	55,831
<b>Solid Waste - Operations</b>					
Salaries and Wages	53024751	51100	476,334	51,325	527,659
Temporary Employees	53024751	51200	27,903	2,787	30,690
FICA & Medicare Emplr Match	53024751	52200	41,635	4,140	45,775
PERS Employer Contribution	53024751	52300	148,543	13,648	162,191
<b>Solid Waste (Vehicle Maint.)</b>					
Salaries and Wages	53022851	51100	50,342	6,801	57,143
FICA & Medicare Emplr Match	53022851	52200	3,983	520	4,503
PERS Employer Contribution	53022851	52300	15,177	1,586	16,763
<b>Solid Waste (Facility Maint.)</b>					
Salaries and Wages	53022951	51100	43,023	6,079	49,102
FICA & Medicare Emplr Match	53022951	52200	3,382	464	3,846
PERS Employer Contribution	53022951	52300	12,861	1,448	14,309
<b>Ports and Harbors Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	54017049	49910	4,235,063	47,574	4,282,637
PERS Non-Employer Contributions	54017041	42355	99,018	2,674	101,692
<b>Uses:</b>					
<b>Harbor Office</b>					
Salaries and Wages	54025051	51100	629,033	31,810	660,843
FICA & Medicare Emplr Match	54025051	52200	48,467	2,404	50,871
PERS Employer Contribution	54025051	52300	179,912	8,593	188,505
<b>Ports (Vehicle Maint.)</b>					
Salaries and Wages	54022851	51100	23,754	3,212	26,966
FICA & Medicare Emplr Match	54022851	52200	1,882	248	2,130
PERS Employer Contribution	54022851	52300	7,162	749	7,911
<b>Ports (Facilities Maint.)</b>					
Salaries and Wages	54022951	51100	17,438	2,458	19,896
FICA & Medicare Emplr Match	54022951	52200	1,357	188	1,545
PERS Employer Contribution	54022951	52300	5,164	586	5,750
<b>Airport Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	55017549	49910	310,348	18,869	329,217
PERS Non-Employer Contributions	55017541	42355	11,409	991	12,400

	<u>Org</u>	<u>Object</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>Uses:</b>					
<b>Airport Admin/Operations</b>					
Salaries and Wages	55025651	51100	66,011	3,858	69,869
FICA & Medicare Emplr Match	55025651	52200	4,986	296	5,282
PERS Employer Contribution	55025651	52300	18,949	1,048	19,997
<b>Airport (Facilities Maint.)</b>					
Salaries and Wages	55022951	51100	78,313	11,169	89,482
FICA & Medicare Emplr Match	55022951	52200	6,237	856	7,093
PERS Employer Contribution	55022951	52300	23,410	2,633	26,043
<b>Housing Fund - Operating Budget</b>					
<b>Sources:</b>					
Budgeted use of unrestricted net assets	56018049	49910	324,744	12,538	337,282
PERS Non-Employer Contributions	56018041	42355	9,399	648	10,047
<b>Uses:</b>					
<b>Housing Admin &amp; Operating</b>					
Salaries and Wages	56025851	51100	49,274	783	50,057
FICA & Medicare Emplr Match	56025851	52200	3,798	60	3,858
PERS Employer Contribution	56025851	52300	14,045	211	14,256
<b>Housing (Facilities Maint.)</b>					
Salaries and Wages	56022951	51100	65,299	9,230	74,529
FICA & Medicare Emplr Match	56022951	52200	5,471	706	6,177
PERS Employer Contribution	56022951	52300	20,851	2,196	23,047
<b>3) Electric Fund - Capital Project Budgets</b>					
<b>Sources:</b>					
Generator Sets Rebuild Project (FY23)					
Transfers From Proprietary Operating	50119848-49130-EL23B		750,000	252,154	1,002,154
<b>Uses:</b>					
Generator Sets Rebuild Project (FY23)					
Repair/Maintenance Services	50125053-54300-EL23B		716,923	252,154	969,077
Transfers From Proprietary Operating	50125053-54300-EL23B		33,077	0	33,077
<b>4) Water Fund - Capital Project Budgets</b>					
<b>Sources:</b>					
Pyramid WTP Chlorine Upgrades Project					
Transfers From Proprietary Operating	51119848-49130-WA21A		981,500	526,447	1,507,947
<b>Uses:</b>					
Pyramid WTP Chlorine Upgrades Project					
Engineering & Architecture	51125553-53240-WA21A		108,819	66,120	174,939
Other Professional	51125553-53300-WA21A		27,500	0	27,500
Construction Services	51125553-54500-WA21A		441,475	460,327	901,802
Telephone/Fax/TV	51125553-55310-WA21A		290	0	290
Advertising	51125553-55901-WA21A		284	0	284
Contingency	51125553-55912-WA21A		118,081	0	118,081
Machinery & Equipment	51125553-57400-WA21A		285,051	0	285,051

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Clay Darnell, Interim Finance Director  
Through: Chris Hladick, Interim City Manager  
          Bil Homka, Acting City Manager  
Date: September 27, 2022  
Re: Ordinance 2022-17, FY23 Budget Amendment #2, funding for the three IUOE  
      302 Collective Bargaining Agreements

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**SUMMARY:** This budget amendment fully funds the Council approved Collective Bargaining Agreements (CBAs) for three units of the International Union of Operating Engineers Local 302 (IUOE). The total cost to the City for this implementation is \$1,729,690. The cost to each department is itemized on the Budget Amendment spreadsheet.

**PREVIOUS COUNCIL ACTION:** Council approved three separate CBAs with IUOE on May 24, 2022.

**BACKGROUND:** Every three years the City and IUOE Local 302 bargaining units enter contract negotiations to agree upon CBAs for a new three-year term. The three bargaining units include (1) City Hall, (2) DPU/W and (3) PCR. Council approved all three CBAs on May 24, 2022.

**DISCUSSION:** This budget amendment will fund the implementation of the CBAs. The breakdown of the funding is:

<b>51100</b> Salaries and Wages	\$1,293,905
<b>51200</b> Temporary Employees	\$14,238
<b>52200</b> Payroll Taxes	\$94,818
<b>52300</b> PERS	<u>\$326,729</u>
	\$1,729,690

A total of \$1,729,690 is the cost to fully fund the Council approved CBAs.

**ALTERNATIVES:** Council could choose not to implement the approved changes for the CBAs.

**FINANCIAL IMPLICATIONS:** The total cost to the City is \$1,729,690. The cost to each department is itemized on the Budget Amendment Spreadsheet.

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends adoption.

**PROPOSED MOTION:** I move to introduce Ordinance 2022-17 and schedule it for second reading and public hearing on October 11, 2022.

**CITY MANAGER COMMENTS:** I support staff's recommendation.



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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Roger Blakeley, PCR Director  
Through: Chris Hladick, Interim City Manager  
Bil Homka, Acting City Manager  
Date: September 27, 2022  
Re: Ordinance 2022-17, creating FY23 Budget Amendment #2, to receive \$10,834.20 from the Aleutian Pribilof Islands Association to pay an instructor for the Senior Exercise Program

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**SUMMARY:** Ordinance 2022-17 accepts \$10,834.20 to fund the Senior Exercise Program.

**PREVIOUS COUNCIL ACTION:** In 2019, Council approved a similar request for \$7,000 to start the program. The program was successful, with funding from APIA. Due to the COVID-19 pandemic and the inability to offer regular instructor led classes in FY21 this funding request was not made in 2020. Council approved a similar budget amendment for \$7,200.00 in FY22 which allowed PCR to continue offering this programming in partnership with APIA.

**BACKGROUND:** The Aleutian Pribilof Islands Association (APIA) partnered with the Department of Parks, Culture and Recreation (PCR) to develop a senior exercise program, held at the Unalaska Senior Center. APIA received a grant to fund the program and is working with PCR to provide an instructor. PCR requests a budget amendment to allocate an additional \$10,834.20 to 01023251-51200 (Temporary Employees) to hire the instructor for this program. This amount reflects the amount of money APIA received to fund the personnel portion of the program.

PCR will invoice APIA for the hours worked by the instructor and we will receive reimbursement for those hours up to the \$10,834.20 outlined in the APIA grant. The result is \$0 net loss to the city, and gives PCR the ability to provide a much-needed senior exercise class in cooperation with APIA. The program will end when the grant funds are exhausted.

**DISCUSSION:** Staff requests \$10,834.20 to pay the Instructor for the Senior Exercise Class held up to three times per week. Without this grant funding PCR would not be able to offer this senior exercise program to the community.

**ALTERNATIVES:** Council may choose to approve the budget amendment and fund the program; or not approve the funding and cancel the program.

**FINANCIAL IMPLICATIONS:** None

**LEGAL:** None

**STAFF RECOMMENDATION:** Staff recommends adoption.

**PROPOSED MOTION:** I move to introduce Ordinance 2022-17 and schedule it for second reading and public hearing on October 11, 2022.

**CITY MANAGER COMMENTS:** I support staff's recommendation.

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Ben Knowles, Acting Fire Chief  
Through: Chris Hladick, Interim City Manager  
          Bil Homka, Acting City Manager  
Date: September 27, 2022  
Re: Budget Amendment request for fireworks shows to be held New Year's Eve and  
      Independence Day 2022

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**SUMMARY:** The City has sponsored fireworks shows for many years. Due to increased vendor costs, as well as cost increases for fireworks materials, shipping, travel and the need to repair equipment, a budget amendment of \$75,000 is being requested in order to put on two fireworks shows (New Year's Eve 2022 and 4<sup>th</sup> of July 2023).

**PREVIOUS COUNCIL ACTION:** Council approved the FY23 Operating Budget on June 28, 2022, with Ordinance 2022-23, which included \$35,000 for fireworks shows. This budget line contains an additional \$5,000 for miscellaneous supplies, which can be used for fireworks expenses.

On September 13, 2022, Council directed the City Manager to provide a New Year's Eve fireworks show, along with a budget amendment to cover the costs for the fireworks trailer and a 4<sup>th</sup> of July fireworks show.

**BACKGROUND AND DISCUSSION:** City funded fireworks displays have been a long time community event. Shows prior to FY20 were awarded to a pyrotechnics company that is no longer in business. That company offered the city an extremely appealing package for a commercial 1.3g fireworks display that was well below the market value and city employees provided much of the labor for the build and firing of the show. The average cost per show from 2014-2019 was about \$20,500 per show.

During the COVID-19 pandemic the city opted to cancel the NYE 2021 show in the best interest of the community's health. The Alaska State Firefighters Association (ASFA) – Unalaska Chapter was able to fund a smaller non-commercial 1.4g show with no cost to the City by solicitation of donation as a registered 501(c)(3) non-profit from Gorilla Fireworks LLC of Houston, Alaska. 1.4g fireworks are considered to be “over-the-counter” explosives and are available to the general public. They are heavily regulated on size and weight of explosive which provides a very restricted display. Since the NYE 2021 display, ASFA has shot a one show per fiscal year with help from a community support grant. This has allowed the city to only be financially responsible for one display per fiscal year, which has made the budget adequate. ASFA has been battling staffing issues and is at a point where continuing to organize and coordinate the 1.4g displays is becoming overly taxing to the remaining members. Although recruitment efforts are in full swing, the likelihood that the organization is able and willing to handle another fireworks display commitment is slim.

The fireworks equipment is in need of repair or replacement. DPW staff worked to create a dedicated fireworks trailer to mitigate incurring repair costs to their low-boy trailer following a fireworks display. Because of the nature of this event, ultimately there was damage being done

to the equipment used for firing the display. This includes damage to mortar tubes, mortar racks, wiring boards, and DPW's low-boy trailer. There has always been a small contingency of equipment that could be utilized in cases where something failed or there wasn't enough of, which has now been used, mostly beyond repair or is outdated and unsafe to use any further. We are requesting a one-time funding cost of \$25,000 in FY23 for replacement of broken equipment.

After some discussion with pyrotechnic companies in the Anchorage area, the unofficial cost for a show that meets the last issued RFP is \$35,000 per show, which does not include air travel, rental vehicle, hotel, and per diem for the pyro technician, which is estimated at an additional \$5,000. This leaves no funding for contingency, repairs to the trailer or an additional show on 4<sup>th</sup> of July 2023.

We request an additional \$75,000 be added to the FY23 budget, as follows:

Equipment and trailer build/repair	\$25,000
4 <sup>th</sup> of July Show	\$40,000
Contingency for FY23 shows	<u>\$10,000</u>
Total:	\$75,000

**ALTERNATIVES:** Council could choose to:

1. Discontinue community fireworks shows and return the \$35,000 budgeted to the general fund.
2. Fund one show per fiscal year:
  - a. But still need to provide funding to repair equipment.
  - b. Scale down the size the duration of the show in order not to exceed the \$35,000 presently budgeted.

**FINANCIAL IMPLICATIONS:** If approved, \$75,000 to be transferred from the general fund to council's budget for FY23.

**LEGAL:** None.

**STAFF RECOMMENDATION:** Based on Council's Directive to the City Manager, staff recommends approval.

**PROPOSED MOTION:** I move to introduce Ordinance 2022-17 and schedule it for public hearing and second reading on October 11, 2022.

**CITY MANAGER COMMENTS:** I support the Staff Recommendation.

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Steve Tompkins, Acting Director of Public Utilities  
Through: Chris Hladick, Interim City Manager  
          Bil Homka, Acting City Manager  
Date: September 27, 2022  
Re: Ordinance 2022-17, Creating Budget Amendment #2 to the Fiscal Year 2023  
      Budget Adding \$252,154 to Capital Project EL23B Generator Sets Rebuild  
      (FY23)

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**SUMMARY:** This budget Amendment Request consists of a transfer of \$252,154 from the Electric Proprietary Fund to Capital Project EL23B Generator Sets Rebuild, increasing the budget to \$1,002,154.

**PREVIOUS COUNCIL ACTION:** City Council approved Ordinance 2022-10 on June 28, 2022, adopting the FY23 Operating and Capital Budget, allocating \$750,000 to the FY23 Generator Sets Rebuild Project.

**BACKGROUND:** Each fiscal year since FY18, staff estimates which gensets will need major work based on the hour meters, overall condition, and known issues. There is generally a 30% contingency added to allow for unexpected failures that need immediate attention. This system has generally worked well with significant portions of the budget returned to the proprietary fund budgetary reserves at the end of each year:

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>
FY18	\$ 1,267,306.00		\$ 750,171.66
FY19	\$ 1,292,652.00		\$ 516,889.52
FY20	\$ 1,714,056.00	\$ 2,097,683.00	\$ 1,920,749.83
FY21	\$ 1,748,338.00		\$ 978,547.44
FY22	\$ 500,000.00		\$ 295,718.38
FY23	\$ 750,000.00		\$ 714,863.37 Encumbered to date

**DISCUSSION:** There are three primary unanticipated issues in FY23 that contributed to exceeding the original budget of \$750,000, intended to fully fund a scheduled in-frame overhaul of Caterpillar Unit #13:

- Inflationary factors and supply chain issues increased the price of the planned rebuild to \$762,481, with almost \$700 in parts. Previous rebuilds on the Cats have been in the \$300,000 - \$400,000 range.
- Severe storm events increased water intrusion into the Valley Power Module container, ultimately shorting out the generator. It is over \$82,000 to remove the generator portion of the genset and get the stator rewound and the unit reconditioned in Seattle. Staff are

exploring options for a better generator enclosure for improved protection from the elements and noise abatement. The old container currently housing the genset should be replaced in the next budget cycle.

- The Wartsila cylinder heads that were rebuilt on-site by Motor-Services Hugo Stamp (MSHS) in FY20 are failing prematurely at the exhaust seats due to non-OEM parts and improper seat installation. There are four heads sitting in the Surrey, British Columbia Wartsila workshop awaiting a purchase order to proceed with rebuilds, and staff have used the two new heads from inventory to keep one of the units on-line.

Breakdown usage of funds requested:

Unanticipated Rebuild Expenses		
Item	Provided By	Amount
Labor and Misc. to Perform In-frame Overhaul on #13	NC Power	\$ 77,000
Remove and Re-install Generator UVPM	NC Power	\$ 15,905
Rewind Stator and Recondition UVPM Generator	Delta Electric Motors	\$ 52,995
Ocean Freight for Generator RT Seattle	Coastal	\$ 14,000
Rebuild Four Cylinder Heads and Two Turbos	Wartsila	\$ 92,254
<b>Total</b>		<b>\$ 252,154</b>

**ALTERNATIVES:** Unalaska Power Division’s Certificate of Fitness from the Alaska Energy Authority states we are required to keep all electrical generating equipment in good running condition.

**FINANCIAL IMPLICATIONS:** EL23B – The proposed budget for the Capital Project is set out as follows:

Generator Sets Rebuild (FY23) - MUNIS Project EL23B								
Account Number	Description	Original Budget	Transfers	Revised Budget	Expensed & Encumbered	Available	This Request	Proposed Revised Budget
50125053-54300-EL23B	Repair/Maint. Services	\$576,923.00	\$140,000.00	\$716,923.00	\$714,863.37	\$2,059.63	\$252,154.00	\$969,077.00
50125053-55912-EL23B	Contingency	\$173,077.00	-\$140,000.00	\$33,077.00		\$33,077.00		\$33,077.00
								\$1,002,154.00

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends approval of this budget amendment.

**PROPOSED MOTION:** I move to introduce Ordinance 2022-17 and schedule it for public hearing and second reading on October 11, 2022.

**CITY MANAGER COMMENTS:** I support staff’s recommendation.

**ATTACHMENTS:** None.

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Tom Cohenour, Director, Department of Public Works  
Bob Cummings, City Engineer  
Steve Tompkins, Director, Department of Public Utilities  
Lori Gregory, Administrative Operations Manager, DPW/DPU  
Through: Chris Hladick, Interim City Manager  
Bil Homka, Acting City Manager  
Date: September 27, 2022  
Re: Ordinance 2022-17, Budget Amendment Request of \$526,447 to fund  
Construction of the Chlorine Upgrades Project

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**SUMMARY:** This Budget Amendment requests \$526,447 from the Water Proprietary Fund in order to fund a contract with Industrial Resources, Inc. to construct the Chlorine Upgrades Project.

**PREVIOUS COUNCIL ACTION:**

- This Project was initially funded at \$100,000 via the FY2021 Capital Budget appropriation Ordinance No. 2020-10, adopted on June 9, 2020.
- On May 11, 2021, budget amendment Ordinance 2021-09 appropriated \$300,000 to fund the purchase of the Chlorine Generation Unit.
- The FY2022 Capital Budget appropriation Ordinance 2021-07, adopted May 25, 2021, provided another \$581,500 in project funding.
- Also on May 25, 2021, Council approved Resolution 2021-37, authorizing the Agreement with PSI Water Technologies to provide the Owner Furnished Materials, the Chlorine Generating Unit, for \$288,000.
- On December 28, 2021, Council approved Resolution 2021-80, awarding the construction of the Project to Industrial Resources, Inc. via contract addendum for \$441,474.73.

**BACKGROUND:** This project was initiated to move the Water Utility away from the expensive and potentially dangerous practice of shipping in the chlorine gas used for potable water disinfection at the Pyramid Water Treatment Plant. The machinery purchased to achieve the project's goal is similar to that already in use at the Wastewater Treatment Plant and Aquatics Center. The Project's construction phase was awarded to Industrial Resources, Inc. ("IRI") via Resolution 2021-80 and consisted of installing the procured MicroChlor chlorine generator and integrating it into the Water Distribution System at the Plant on a time and materials basis. Due to supply chain, travel, and inflation issues, IRI informed the City on April 14, 2022, two weeks before mobilization to the island, it expected an additional \$288,000 in costs associated with completing the project. This amount exceeded the available budget and at this time all IRI work was stopped for this project. The project was then prepared to be put out to bid.

**DISCUSSION:** The project's construction was rebid on June 21, 2022. The sole bid received on July 21, 2022 was from IRI, quoting \$661,200 to perform the work. There is the construction services shortfall of \$460,327, 10% (\$66,120) of the construction contract is being requested to fund Contract Administration and Inspection activities.

**ALTERNATIVES:** Alternatives to funding this Budget Amendment request include abandoning the project or re-advertising for bids.

**FINANCIAL IMPLICATIONS:** The proposed new budget is set forth below.

ACCOUNT DESCRIPTION	CURRENT BUDGET	ENCUMBERED	REMAINING BUDGET	THIS REQUEST	REVISED BUDGET
Engineering and Architectural	\$ 108,819	\$ 21,858	\$ (274)	\$ 66,120	\$ 174,939
Other Professional	\$ 27,500	\$ 26,863	\$ -		\$ 27,500
Construction Services	\$ 441,475	\$ 402,683	\$ -	\$ 460,327	\$ 901,802
Telephone / Fax / TV	\$ 290		\$ 33		\$ 290
Advertising	\$ 284		\$ -		\$ 284
Contingency	\$ 118,081		\$ 118,081		\$ 118,081
Machinery and Equipment	\$ 285,051	\$ 35,712	\$ -		\$ 285,051
	\$ 981,500	\$ 487,116	\$ 117,840	\$ 526,447	\$ 1,507,947

**LEGAL:** None.

**STAFF RECOMMENDATION:** Staff does not believe it is in the best interests of the City to delay this important safety project any further. It is unfortunate that complications from the Pandemic have caused the cost of construction to increase. The generating unit is currently in storage until it can be incorporated into the distribution system. Further delays will only increase the final cost of the project.

**PROPOSED MOTION:** I move to introduce Ordinance 2022-17 and schedule it for public hearing and second reading on October 11, 2022.

**CITY MANAGER COMMENTS:** I support the staff recommendation.

**ATTACHMENTS:** None.