

CITY OF UNALASKA  
UNALASKA, ALASKA

ORDINANCE 2019-02

CREATING BUDGET AMENDMENT NO. 5 TO THE FISCAL YEAR 2019 BUDGET, INCREASING THE OPERATING BUDGET OF THE WATER FUND BY \$255,784 TO FUND THE ADDITION OF TWO FULL-TIME WATER OPERATOR 1 POSITIONS

BE IT ENACTED BY THE UNALASKA CITY COUNCIL, as follows:

- 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. 5 to Ordinance #2018-04**

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<b>I. OPERATING BUDGETS</b>			
<b>A. Proprietary Funds</b>			
Sources			
Water Enterprise Fund - Budgeted use of unrestricted net assets	\$ 676,325	\$ 255,784	\$ 932,109
Uses			
Water Enterprise Fund - Water Operations	\$ 1,251,282	\$ 255,784	\$ 1,507,066

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on March <sup>26</sup>~~12~~, 2019.

  
Frank Kelly  
Mayor

ATTEST:

  
Marjie Veeder  
City Clerk



City of Unalaska  
 Summary of Budget Amendment and Schedule of Proposed Accounts  
 FY19 Budget Amendment 5, page 2

1) Water Fund - Operating Budget

Add \$255,784 to Salaries & Wages and related payroll tax, insurance and employee benefit costs for two additional Water Operator I positions

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
2) Water Fund - Operating Budget						
Sources:						
Budgeted use of unrestricted net assets	51015549	49910		676,325.00	255,784.00	932,109.00
Uses:						
Salaries and Wages	51024351	51100		361,230.00	140,904.00	502,134.00
Health Insurance Benefit	51024351	52100		119,092.00	59,545.00	178,637.00
FICA & Medicare Emplr Match	51024351	52200		34,396.00	10,779.00	45,175.00
PERS Employer Contribution	51024351	52300		107,247.00	38,034.00	145,281.00
Unemployment Insurance	51024351	52400		2,138.00	790.00	2,928.00
Workers Compensation	51024351	52500		11,531.00	4,612.00	16,143.00
Other Employee Benefits	51024351	52900		2,772.00	1,120.00	3,892.00

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## MEMORANDUM TO COUNCIL

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To: Mayor and City Council Members  
From: Dan Winters, Director of Public Utilities  
Through: Thomas Thomas, City Manager  
Date: March 12, 2019  
Re: Ordinance 2019-02, creating Budget Amendment no. 5 to the Fiscal Year 2019 budget, increasing the operating budget of the Water Fund by \$255,784 to fund the addition of two full time water operator 1 positions

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**SUMMARY:** Through this Ordinance, staff requests the addition of two full-time, permanent employees and \$255,784 in funding for the same for the Water Division of the Department of Public Utilities. This total represents the cost for these positions for one year.

**PREVIOUS COUNCIL ACTION:** Council approved the Fiscal Year 2019 Operating Budget for the Water Division of the Department of Public Utilities on May 22, 2018, via Ordinance 2018-04. In doing so, Council authorized the FY19 budget funding the following positions in the Water Division:

- Two Operator in Training, Temporary/Seasonal positions at 90 day intervals
- One Water Operator I
- One Water Operator II
- One Water Operator III
- One Water Division Supervisor

**BACKGROUND:** Since Fiscal Year 1998, the Water Division has operated with 4 full-time permanent employees and two seasonal temporary employees. Meanwhile, regulations governing the production of drinking water have significantly increased. Infrastructure such as the Pyramid Water Treatment Plant, which began operations in 2012, and the Icy Lake Automatic Control System, put in service in 2013. Before 1998, the Water Division had 5 employees. One of these employees was dedicated to testing, leak detection, and repairing automatic relief valves, pressure relief valves and mainline valves in the distribution system and the plants. This position was not filled after the employee retired and the position was dropped from the City's funded employee roster.

**DISCUSSION:** The Water Division personnel work five days per week, Monday through Friday. Water staff work eight hours per day, translating to 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 a few days.

In November 2018, Staff completed a Job Analysis of the Water Division. The analysis focused on operator tasks required to run the utility in a safe and environmentally compliant manner. Once the tasks were identified, Staff calculated the time it took to complete each task. Data from the analysis shows it takes 55.8 man hours per day to accomplish the necessary, routine daily tasks. This equates to 6.9 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 2.9 employees.

With the addition of the new water plant and other equipment, overtime has steadily increased over the years and a record high has been achieved this Fiscal Year. At the writing of this memo, the Water Division has used 121% of its \$32,624 overtime budget, with only 50% of the Fiscal Year completed. Consequently, the water 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 Water Division Master Plan was completed in FY18 and confirms Staff’s analysis. The Master Plan states:

“The Water Utility appears to be short staffed on operators. It is recommended that the City perform a staffing analysis to verify the need for additional operators, determine how many more operators are needed, and look for ways to increase efficiency.”

As recommended by the Master Plan, Staff completed the Job Analysis and its finding confirmed the master plan’s suspicion.

Through this Ordinance, Staff requests the addition of two full-time, permanent Water Operator 1 positions to the employee roster of the Water Division Operations as well as the necessary funding in the amount of \$255,784.

**ALTERNATIVES:** Between the recommendations of the Master Plan and the results of the Job Analysis, Staff believes there is no other viable alternative to adding the two positions. Staff must have help to keep the Utility operating safely and in compliance with State and Federal Regulations.

**FINANCIAL IMPLICATIONS:** The annual cost to fund these positions is \$255,784, which includes all benefits, as the table below depicts:

Annual Cost for Two Water Operator I Positions							
2 Water Operator I (2080 hrs X \$33.15 X 2)	Salaries & Wages	Airfare	PERS 27% of Base	Taxes 8% of Base	Insurance	Union, Other	Total
	\$ 137,904	\$ 3,000	\$ 38,034	\$ 10,779	\$ 59,545	\$ 6,522	\$ 255,784

With the approval of the FY19 Budget and through other Ordinances, Council authorized 173.17 full time equivalent (FTE) employees. 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 two pending and unbudgeted positions (2 FTE).

Through the approval of this Ordinance, the FTE will increase to 175.17. This includes 161 full-time permanent positions (161 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:** Not applicable.

**STAFF RECOMMENDATION:** Staff recommends adopting Ordinance 2019-02.

**PROPOSED MOTION:** I move to approve Ordinance 2019-02, and set it for public hearing and second reading on March 12, 2019.

**CITY MANAGER COMMENTS:** I recommend adoption of Ordinance 2019-02.