

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2022-20

AN ORDINANCE OF THE UNALASKA CITY COUNCIL CREATING BUDGET AMENDMENT #3 TO THE FISCAL YEAR 2023 BUDGET TO FUND INCREASES IN WAGES, FRINGE BENEFITS AND ASSOCIATED STATE OF ALASKA PERS CONTRIBUTIONS FOR UNREPRESENTED EMPLOYEES

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 #3 to Ordinance 2022-10

	Current	Requested	Revised
I. OPERATING BUDGETS			
A. General Fund			
Sources			
General Fund - Appropriated Fund Balance	\$ 7,181,980	\$ 412,644	\$ 7,594,624
PERS Non-Employer Contribution	792,779	18,314	811,093
	<u>\$ 7,974,759</u>	<u>\$ 430,958</u>	<u>\$ 8,405,717</u>
Uses			
City Administration	\$ 2,025,857	\$ 61,236	\$ 2,087,093
Clerks	578,234	65,483	643,717
Finance/IS	2,255,617	27,743	2,283,360
Planning	801,467	38,151	839,618
Public Safety	6,430,198	69,038	6,499,236
Public Works	6,596,103	42,774	6,638,877
Parks, Culture & Recreation	3,899,059	126,533	4,025,592
	<u>\$ 22,586,535</u>	<u>\$ 430,958</u>	<u>\$ 23,017,493</u>
B. Proprietary Funds			
Sources			
Electric Fund - Budgeted use of unrestricted net assets	\$ 4,384,695	\$ 20,119	\$ 4,404,814
Electric Fund - PERS Non-Employer Contribution	167,884	863	168,747
Water Fund - Budgeted use of unrestricted net assets	2,267,550	18,508	2,286,058
Water Fund - PERs Non-Employer Contribution	74,829	810	75,639
Wastewater Fund - Budgeted use of unrestricted net assets	1,438,947	16,090	1,455,037
Wastewater Fund - PERS Non-Employer Contribution	67,506	724	68,230
Solid Waste Fund - Budgeted use of unrestricted net assets	1,531,506	14,808	1,546,314
Solid Waste Fund - PERS Non-Employer Contribution	67,092	681	67,773
Ports Fund - Budgeted use of unrestricted net assets	4,282,637	66,844	4,349,481
Ports Fund - PERS Non-Employer Contribution	101,692	2,837	104,529
Airport Fund - Budgeted use of unrestricted net assets	329,217	9,584	338,801
Airport Fund - PERS Non-Employer Contribution	12,400	374	12,774
Housing Fund - Budgeted use of unrestricted net assets	337,282	5,972	343,254
Housing Fund - PERS Non-Employer Contribution	10,047	234	10,281
	<u>\$ 15,073,284</u>	<u>\$ 158,448</u>	<u>\$ 15,231,732</u>

Uses	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
Electric Fund - Utility Administration Expenses	5,868,123	20,982	5,889,105
Water Fund - Utility Administration Expenses	1,870,677	19,318	1,889,995
Wastewater Fund - Utility Administration Expenses	1,958,143	16,814	1,974,957
Solid Waste Fund - Utility Administration Expenses	1,673,007	15,489	1,688,496
Ports Fund - Harbor Office Expenses	7,024,257	62,821	7,087,078
Ports Fund - CEM Small Boat Harbor Expenses	960,269	6,860	967,129
Airport Fund - Admin/Operating Expenses	678,188	9,958	688,146
Housing Fund - Admin/Operating Expenses	403,530	6,206	409,736
	<u>\$ 20,436,194</u>	<u>\$ 158,448</u>	<u>\$ 20,594,642</u>

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on November ____, 2022.

 Vincent M. Tutiakoff, Sr.
 Mayor

ATTEST:

 Marjie Veeder, CMC
 City Clerk

- 1) General Fund - Operating Budget
Add \$430,958 for Title 3 Wages & Benefits
- 2) Proprietary Funds - Operating Budgets
Add \$158,448 for Title 3 Wages & Benefits

1) General Fund - Operating Budget	Org	Object	Current	Requested	Revised
Sources:					
Appropriated Fund Balance	01010049	49900	7,181,980	412,644	7,594,623
PERS Non-Employer Contributions	01010041	42355	792,779	18,314	811,094
Uses:					
City Manager's Office					
Salaries and Wages	01020251	51100	170,068	7,939	178,007
FICA & Medicare Emplr Match	01020251	52200	11,818	607	12,425
PERS Employer Contribution	01020251	52300	49,347	1,788	51,135
Administration					
Salaries and Wages	01020351	51100	421,225	40,487	461,712
FICA & Medicare Emplr Match	01020351	52200	32,097	3,107	35,204
PERS Employer Contribution	01020351	52300	121,252	7,308	128,560
Clerks					
Salaries and Wages	01020551	51100	262,512	50,017	312,529
FICA & Medicare Emplr Match	01020551	52200	21,161	3,416	24,577
PERS Employer Contribution	01020551	52300	76,964	12,050	89,014
Finance					
Salaries and Wages	01020651	51100	643,174	6,443	649,617
FICA & Medicare Emplr Match	01020651	52200	50,633	494	51,127
PERS Employer Contribution	01020651	52300	187,619	1,340	188,959
Information Systems					
Salaries and Wages	01020751	51100	238,472	15,911	254,383
FICA & Medicare Emplr Match	01020751	52200	18,653	1,083	19,736
PERS Employer Contribution	01020751	52300	65,545	2,472	68,017
Planning					
Salaries and Wages	01020851	51100	393,616	30,268	423,884
FICA & Medicare Emplr Match	01020851	52200	31,435	1,178	32,613
PERS Employer Contribution	01020851	52300	112,646	6,705	119,351
DPS Administration					
Salaries and Wages	01021051	51100	470,211	55,694	525,905
FICA & Medicare Emplr Match	01021051	52200	36,831	2,597	39,428
PERS Employer Contribution	01021051	52300	134,505	10,747	145,252
DPW Administration					
Salaries and Wages	01022051	51100	362,418	33,514	395,932
FICA & Medicare Emplr Match	01022051	52200	28,037	2,181	30,218
PERS Employer Contribution	01022051	52300	105,555	7,079	112,634
PCR Administration					
Salaries and Wages	01023151	51100	138,009	17,601	155,610
FICA & Medicare Emplr Match	01023151	52200	10,557	813	11,370
PERS Employer Contribution	01023151	52300	40,952	4,096	45,048

	<u>Org</u>	<u>Object</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
Rec Programs					
Salaries and Wages	01023251	51100	433,237	19,085	452,322
FICA & Medicare Emplr Match	01023251	52200	36,386	1,459	37,845
PERS Employer Contribution	01023251	52300	121,535	2,736	124,271
Community Center					
Salaries and Wages	01023351	51100	481,977	17,168	499,145
FICA & Medicare Emplr Match	01023351	52200	37,482	1,313	38,795
PERS Employer Contribution	01023351	52300	102,490	2,158	104,648
Library					
Salaries and Wages	01023451	51100	388,181	13,928	402,109
FICA & Medicare Emplr Match	01023451	52200	31,112	1,065	32,177
PERS Employer Contribution	01023451	52300	94,598	2,989	97,587
Aquatics Center					
Salaries and Wages	01023551	51100	264,834	33,057	297,891
FICA & Medicare Emplr Match	01023551	52200	20,641	2,537	23,178
PERS Employer Contribution	01023551	52300	57,225	6,528	63,753
2) <u>Electric Fund - Operating Budget</u>					
Sources:					
Budgeted use of unrestricted net assets	50015049	49910	4,384,695	20,119	4,404,814
PERS Non-Employer Contributions	50015041	42355	167,884	863	168,747
Uses:					
Electric - Utility Administration					
Salaries and Wages	50024051	51100	482,997	16,604	499,601
FICA & Medicare Emplr Match	50024051	52200	37,078	1,174	38,252
PERS Employer Contribution	50024051	52300	139,450	3,204	142,654
<u>Water Fund - Operating Budget</u>					
Sources:					
Budgeted use of unrestricted net assets	51015549	49910	2,267,550	18,508	2,286,058
PERS Non-Employer Contributions	51015541	42355	74,829	810	75,639
Uses:					
Water - Utility Administration					
Salaries and Wages	51024051	51100	291,952	15,237	307,189
FICA & Medicare Emplr Match	51024051	52200	22,353	1,074	23,427
PERS Employer Contribution	51024051	52300	83,947	3,007	86,954
<u>Wastewater Fund - Operating Budget</u>					
Sources:					
Budgeted use of unrestricted net assets	52016049	49910	1,438,947	16,090	1,455,037
PERS Non-Employer Contributions	52016041	42355	67,506	724	68,230
Uses:					
Wastewater - Utility Administration					
Salaries and Wages	52024051	51100	243,581	13,201	256,782
FICA & Medicare Emplr Match	52024051	52200	18,579	925	19,504
PERS Employer Contribution	52024051	52300	70,079	2,688	72,767

Solid Waste Fund - Operating Budget

Sources:	Org	Object	Current	Requested	Revised
Budgeted use of unrestricted net assets	53016549	49910	1,531,506	14,808	1,546,314
PERS Non-Employer Contributions	53016541	42355	67,092	681	67,773

Uses:

Solid Waste - Utility Administration

Salaries and Wages	53024051	51100	193,990	12,120	206,110
FICA & Medicare Emplr Match	53024051	52200	14,766	842	15,608
PERS Employer Contribution	53024051	52300	55,831	2,527	58,358

Ports and Harbors Fund - Operating Budget

Sources:					
Budgeted use of unrestricted net assets	54017049	49910	4,282,637	66,844	4,349,481
PERS Non-Employer Contributions	54017041	42355	101,692	2,837	104,529

Uses:

Harbor Office

Salaries and Wages	54025051	51100	660,843	50,633	711,476
FICA & Medicare Emplr Match	54025051	52200	50,871	2,669	53,540
PERS Employer Contribution	54025051	52300	188,505	9,519	198,024

CEM Small Boat Harbor

Salaries and Wages	54025451	51100	142,247	5,567	147,814
FICA & Medicare Emplr Match	54025451	52200	11,890	278	12,168
PERS Employer Contribution	54025451	52300	43,220	1,015	44,235

Airport Fund - Operating Budget

Sources:					
Budgeted use of unrestricted net assets	55017549	49910	329,217	9,584	338,801
PERS Non-Employer Contributions	55017541	42355	12,400	374	12,774

Uses:

Airport Admin/Operations

Salaries and Wages	55025651	51100	69,869	8,170	78,039
FICA & Medicare Emplr Match	55025651	52200	5,282	401	5,683
PERS Employer Contribution	55025651	52300	19,997	1,387	21,384

Housing Fund - Operating Budget

Sources:					
Budgeted use of unrestricted net assets	56018049	49910	337,282	5,972	343,254
PERS Non-Employer Contributions	56018041	42355	10,047	234	10,281

Uses:

Housing Admin & Operating

Salaries and Wages	56025851	51100	50,057	4,959	55,016
FICA & Medicare Emplr Match	56025851	52200	3,858	379	4,237
PERS Employer Contribution	56025851	52300	14,256	868	15,124

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Clay Darnell, Interim Finance Director
Through: Chris Hladick, Interim City Manager
Date: October 25, 2022
Re: Ordinance 2022-20: Creating Budget Amendment #3 to the Fiscal Year 2023 Budget to fund increases in wages, fringe benefits and associated State of Alaska PERS contributions for unrepresented employees

SUMMARY: This budget amendment funds a 10% wage increase and the addition of a longevity bonus for unrepresented Title 3 employees. The total cost to the City for this implementation is \$589,406. The cost to each department is itemized on the spreadsheets attached to the Budget Amendment.

PREVIOUS COUNCIL ACTION: Council annually adopts the City's operating budget, which includes funding for wages, merit increases and the employee benefit package.

In 2013, the City commissioned a comprehensive Compensation and Benefits Analysis, the result of which was an update of the classification and pay range matrix, and Council amended Title 3 by Ordinance 2013-16 on December 17, 2013.

In 2019, Council adopted Ordinances 2019-10, updating provisions of Title 3, which included a 4.5% cost of living adjustment to the pay range matrix. An accompanying ordinance (2019-11) was also adopted to fund increased pay and benefits (along with funding for IUOE 302 CBA changes). These ordinances were adopted on September 10, 2019.

BACKGROUND: Title 3 compliments the CBAs for most employees, but Title 3 is the only governing document for unrepresented employees.

Unalaska Municipal Code Section 3.40.020 states that the City Manager shall periodically, but not less often than every four years, review the pay plan and make a report to City Council with a recommendation regarding the necessary changes to keep the pay plan current. The pay range matrix was last updated in 2019.

City staff performed an internal review of the current Title 3 compensation and benefit levels for unrepresented employees, particularly in light of the recent IUOE 302 CBAs. The City Manager proposes a 10% wage increase for current employees, the addition of a longevity bonus, as well as commissioning a comprehensive compensation and benefits analysis in order to advise of any changes needed to the pay range matrix.

DISCUSSION: The cost of \$589,406 fully implements the 10% wage increase and the longevity bonus for unrepresented employees for FY23. The longevity bonus is covered in the Title 3 ordinance change (Ordinance 2022-19). These changes are effective July 1, 2022.

ALTERNATIVES: Council could choose to amend, or not to fund the salary and benefit increases.

FINANCIAL IMPLICATIONS: The cost to the City is \$589,406. The cost to each department is itemized on the attached Budget Amendment Spreadsheet.

LEGAL: Staff consulted the City Attorney during the development of the accompanying changes to Title 3. There was no legal consultation regarding the budget amendment.

STAFF RECOMMENDATION: Staff recommends approval.

PROPOSED MOTION: I move to introduce Ordinance 2022-20, and schedule it for public hearing and second reading at Council's first meeting in November.

CITY MANAGER COMMENTS: I recommend approval of the increase to be fair across the board. However, the city needs to do a compensation study in the near future to address internal concerns and external forces effecting hiring and retention.

ATTACHMENTS: None.