

Regular Meeting
Tuesday, February 13, 2024
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Anthony Longo
Alejandro R. Tungul
Shari Coleman

*To Provide a Sustainable Quality of Life
Through Excellent Stewardship of Government*

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff, Sr. **City Manager:** William Homka
City Clerk: Estkarlen P. Magdaong, emagdaong@ci.unalaska.ak.us

COUNCIL MEETING ATTENDANCE

The community is encouraged to attend meetings of the City Council:

- In person at City Hall
- Online via ZOOM (link, meeting ID & password below)
- By telephone (toll and toll free numbers, meeting ID & password below)
- Listen on KUCB TV Channel 8 or Radio Station 89.7

PUBLIC COMMENT

The Mayor and City Council value and encourage community input at meetings of the City Council. There is a time limit of 3 minutes per person, per topic. Options for public comment:

- In person
- By telephone or ZOOM - notify the City Clerk if you'd like to provide comment using ZOOM features (chat message or raise your hand); or *9 by telephone to raise your hand; or you may notify the City Clerk during regular business hours in advance of the meeting
- Written comment is accepted up to one hour before the meeting begins by email, regular mail, fax or hand delivery to the City Clerk, and will be read during the meeting; include your name

ZOOM MEETING LINK: <https://us02web.zoom.us/j/83246795029>

Meeting ID: 832 4679 5029 / **Passcode:** 630155

TELEPHONE: Meeting ID: 832 4679 5029 / **Passcode:** 630155

Toll Free numbers: (833) 548-0276; or (833) 548-0282; or (877) 853-5247; or (888) 788-0099

Non Toll-Free numbers: (253) 215-8782; or (346) 248-7799; or (669) 900-9128

AGENDA

1. **Call to order**
2. **Roll call**
3. **Pledge of Allegiance**
4. **Recognition of Visitors**
5. **Adoption of Agenda**
6. **Approve Minutes of Previous Meeting** – [January 23, 2024](#) and [February 6, 2024](#)

7. **Reports**

- a. [City Manager](#)
- b. Annual Reports from City Boards, Committees and Commissions
 - i. [Historic Preservation Commission](#) – Travis Swangel, Chair
 - ii. [Planning Commission and Platting Board](#) – Travis Swangel, Chair
 - iii. [Parks, Culture and Recreation Committee](#) – Thomas Roufos, Chair
 - iv. Library Advisory Committee report will be presented on February 27, 2024

8. **Community Input & Announcements** *Members of the public may provide information to council or make announcements of interest to the community. Three-minute time limit per person.*

9. **Public Comment on Agenda Items** *Time for members of the public to provide information to Council regarding items on the agenda. Alternatively, members of the public may speak when the issue comes up on the regular agenda by signing up with the City Clerk. Three-minute time limit per person.*

10. **Public Hearing** *Members of the public may testify about any item set for public hearing. Three-minute time limit per person.*

- a. [Ordinance 2024-03](#): Creating Budget Amendment No. 4 to the Fiscal Year 2024 Budget, appropriating \$220,175 from the General Fund to create the Highschool Boiler Replacement Project

11. **Work Session** *Work sessions are for planning purposes, or studying and discussing issues before the Council.*

- a. [Discuss Proposed State Legislative Priorities](#)
- b. [Review FY25 Revenue Projections and Proposed Budget Goals](#)
- c. [Follow up to Title 3 Classification & Compensation Study Report](#)

12. **Regular Agenda** *Persons wishing to speak on regular agenda items must sign up with the City Clerk. Three-minute time limit per person.*

- a. [Ordinance 2024-03: 2nd reading](#): Creating Budget Amendment No. 4 to the Fiscal Year 2024 Budget, appropriating \$220,175 from the General Fund to create the Highschool Boiler Replacement Project
- b. [Resolution 2024-03](#): Authorizing the City Manager to enter into a contract with Electric Power Systems, Inc. in an amount not to exceed \$130,000
- c. [Resolution 2024-04](#): Approving the Mayor's Appointments to the Library Advisory Committee, The PCR Committee, the Planning Commission, Platting Board and the Historic Preservation Commission
- d. [Resolution 2024-05](#): Approving Council's Goals for the FY25 Budget

13. **Council Directives to City Manager**

14. **Community Input & Announcements** *Members of the public may provide information to council or make announcements of interest to the community. Three-minute time limit per person.*

15. **Executive Session** *Executive Session is closed to the public.*

- a. Andrew Breda v. City of Unalaska

16. **Adjournment**

Regular Meeting
Tuesday, January 23, 2024
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Anthony Longo
Alejandro R. Tungul
Shari Coleman

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff, Sr. **City Manager:** William Homka
City Clerk: Estkarlen P. Magdaong, emagdaong@ci.unalaska.ak.us

MINUTES

1. **Call to order.** Mayor Tutiakoff called the regular meeting of the Unalaska City Council to order on Tuesday, January 23, 2024.

Council Member Longo read the City's Mission Statement: *To provide a sustainable quality of life through excellent stewardship of government.*
2. **Roll call.** The City Clerk called the roll. The Mayor and all Council Members were present. Mayor announced quorum established.
3. **Pledge of Allegiance.** Looby led the Pledge of Allegiance.
4. **Recognition of Visitors.** No particular recognition made.
5. **Adoption of Agenda.** Looby moved to adopt the agenda, with a second by Nicholson. There being no objection, the agenda was adopted by consensus.
6. **Approve Minutes of Previous Meeting.** Tungul moved to approve the proposed minutes of the council meeting held January 9, 2024 as presented, with a second by Longo. There being no objection, the minutes were approved by consensus.
7. **Reports.**
 - a. Board and Commission Minutes were included in the packet; no presentation.
 - i. Library Advisory Committee – December 14, 2023
 - ii. Historic Preservation Commission and Planning Commission – December 21, 2023
 - b. Financials – December 2023. City Manager provided a brief introduction followed by Council questions. Finance Director Patricia Soule provided information and answered Council's inquiries.
 - c. City Manager provided a summary of his written report and answered Council questions. Natural Resource Consultant Frank Kelty provided more information on the Crab Disaster Relief Fund and answered a question from the Council.
8. **Community Input & Announcements** were made as follows:

- a. Roger Blakeley, PCR Director, announced that the Father Daughter Dance will happen on February 4th from 5:00 pm until 7:00 pm at the community center gym.
- b. Noel Rea, Iliuliuk Family and Health Services CEO, provided an update on the CT scan project.
- c. M. Lynn Crane on behalf of the Museum of Aleutians announced Life in Margaret Bay, a free family event on Saturday, January 27th from 11:30 AM until 4:00 PM.
- d. M. Lynn Crane, Executive Director of USAFV provided information regarding the services of Unalaskans Against Sexual Assault & Family Violence.
- e. Unalaska Interagency Cooperative meets every 4th Thursday of every month at noon in the Library.
- f. Katherine McGlashan, Executive Director of Unalaska Visitors Bureau, announced 22 cruise ships scheduled this Spring-Summer, starting in April ending in October, and 5 state ferries that will start in May and end in September. Wine Tasting fundraising is tentatively scheduled on April 27th.
- g. City Clerk reminded businesses that sales tax reports and tobacco excise tax reports are due January 31st; real property tax exemption applications for senior citizens, disabled veterans and fire/EMS volunteers are due on March 1st; and lastly March 15th is the due date for Public Official Financial Disclosure.

9. **Public Comment on Agenda Items.** None

10. **Public Hearing.** The Mayor opened the public hearing on Ordinance 2024-02 Creating Budget Amendment No. 3 to the Fiscal Year 2024 Budget, appropriating \$84,450 from the General Fund to increase the DPS Records Management System Project; accepting State of Alaska Department of Health MIH Grant for \$83,333.33 to fund the purchase of a new command vehicle; reducing the budgeted amount for the Cruise Ship Terminal Demand Study Project by \$45,042 to fund the UMC Dock Site Survey in the Ports Operating Fund.

There being no testimony, the Mayor closed the public hearing.

11. **Work Session.** Tungul moved to go into work session with second by Bell. There being no objection, work session began at 6:39 PM
- a. Review CMMP nominations and prioritize projects – Cameron Dean, Planning Director reviewed and presented to Council the CMMP nominations and projects, and responded to Council questions. Public Works Director Scott Brown, Ports Director Peggy McLaughlin and City Manager provided information and answered Council questions.

Nicholson moved to return to regular session with a second by Tungul; there being no objection, Council returned to regular session at 7:42 PM.

12. **Regular Agenda**

- a. Review AK Ship Supply Liquor License Transfer Application to Three Bears Alaska, Inc. No action by Council.
- b. Ordinance 2024-02: (2nd reading) Creating Budget Amendment No. 3 to the Fiscal Year 2024 Budget, appropriating \$84,450 from the General Fund to increase the DPS Records Management System Project; accepting State of Alaska Department of Health MIH Grant for \$83,333.33 to fund the purchase of a new command vehicle; reducing the budgeted amount for the Cruise Ship Terminal Demand Study Project by \$45,042 to fund the UMC Dock Site Survey in the Ports Operating Fund.

Tungul moved to adopt Ordinance 2024-02, with second by Nicholson.

Mr. Homka reviewed the ordinance.

Council discussion. Fire Chief Ben Knowles answered Council questions.

Roll call vote: all Council Members voted in the affirmative, adopting the ordinance.

- c. Resolution 2024-02: Authorizing the City Manager to enter into a sole-source agreement PND Engineers for the site survey of Unalaska Marine Center Positions 5-7 in an amount not to exceed \$45,042

Tungul moved to adopt Resolution 2024-02, with second by Looby.

Mr. Homka provided an overview of the resolution.

Council discussion.

Roll call vote: all Council Members voted in the affirmative, adopting the resolution.

- d. Ordinance 2024-03: Creating Budget Amendment No. 4 to the Fiscal Year 2024 Budget, appropriating \$220,175 from the General Fund to create the Highschool Boiler Replacement Project

Nicholson moved to introduce Ordinance 2024-03 and schedule it for public hearing and second reading on February 13, 2024, with second by Longo.

Mr. Homka provided an overview of the ordinance.

Council discussion. DPW Director and Acting Public Utilities Director Scott Brown provided information and answered Council questions.

Roll call vote: all Council Members voted in the affirmative, scheduling Ordinance 2024-03 for public hearing and second reading on February 13, 2024.

13. Council Directives to City Manager. None

14. Community Input & Announcements were made as follows:

- a. City Clerk announced Unalaskans Eating Healthy: Nutrition Education at the Unalaska Senior Center on January 24th from noon until 1:00 PM and at 3:30 PM until 5:00 PM; and first home basketball games of the season against Hooper Bay on Thursday, January 25th and Friday, January 26th.
- b. Mayor announced that Veterans Service Officer Timothy Linder will visit Unalaska to talk to veterans to assist qualified uniformed service veterans with the VA benefits process. More details to follow on the date and location.

15. Adjournment. Having completed all items on the agenda, the Mayor adjourned the meeting at 8:08 PM.

These minutes were approved by the Unalaska City Council on February 13, 2024.

Estkarlen P. Magdaong
City Clerk

Special Meeting
Tuesday, February 6, 2024
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Anthony Longo
Alejandro R. Tungul
Shari Coleman

UNALASKA CITY COUNCIL

P. O. Box 610 • Unalaska, Alaska 99685
Tel (907) 581-1251 • Fax (907) 581-1417 • www.ci.unalaska.ak.us

Mayor: Vincent M. Tutiakoff, Sr. **City Manager:** William Homka
City Clerk: Estkarlen P. Magdaong, emagdaong@ci.unalaska.ak.us

MINUTES

1. **Call to order.** Mayor Tutiakoff called the special meeting of the Unalaska City Council to order on Tuesday, February 6, 2024.

Council Member Bell read the City's Mission Statement: *To provide a sustainable quality of life through excellent stewardship of government.*
2. **Roll call.** The City Clerk called the roll. The Mayor and all Council Members were present. Mayor announced quorum established.
3. **Pledge of Allegiance.** Looby led the Pledge of Allegiance.
4. **Adoption of Agenda.** Nicholson moved to adopt the agenda, with a second by Tungul. There being no objection, the agenda was adopted by consensus.
5. **Work Session.** Work session began at 6:02 PM
 - a. Classification and Compensation Study Final Presentation – Malayna Maes, McGrath Human Resources Group

Mr. Homka provided an overview before proceeding to introduce Malayna Halvorson-Maes.

Ms. Maes presented her report and recommendations with Council, and responded to questions from Council during discussion.

Moved out of the work session at 7:32 PM

Clerk's Note: There was no motion to enter into work session nor to exit out of it.
6. **Council Directives to City Manager.** None
7. **Adjournment.** Having completed all items on the agenda, the Mayor adjourned the meeting at 7:38 PM.

These minutes were approved by the Unalaska City Council on February 13, 2024.

Estkarlen P. Magdaong
City Clerk

CITY MANAGER'S REPORT

For February 13, 2024

TO: Mayor Tutiakoff and City Council Members

FROM: William Homka, City Manager

DATE: February 13, 2024

- **Genius Star XI:** The Genius Star XI has been at the Unalaska Marine Center (city dock) since January 30, 2024. Technical experts have completed remediation of the damaged energy segments and that team has demobilized. Nothing from the vessel was moved dockside in Unalaska and all cargo remained aboard the ship. The salvage team is continuing their work to secure the cargo for the purpose of getting the ship underway to a confirmed receiving port, which appears to be their original destination in San Diego, California. The community air monitoring effort was demobilized yesterday; all readings taken during the response were normal. Live stakeholder updates have ceased. A final review and inspection of the vessel by the USCG is scheduled for February 9; and Unified Command is working on transit and passage plans for the vessel which they hope to complete by February 12. The vessel should be on its way shortly after that.
- **Training:** We contacted William Dann of Professional Growth Systems and requested a proposal for his services. I've attached his [scope of work and terms](#) for your review. It proposes training/discussion among Council and with City Manager and the Mayor to gain agreement on the appropriate roles of each and a plan to improve the working relationships and effectiveness of the team that leads the City into the future. We need to schedule dates when all of City Council will be available to participate.
- **Geothermal Project:** This topic will be discussed at a work session on February 27, 2024. OCCP's request for Amendment 4 of the PPA includes new terms.
- **Power Plan:** Tonight's agenda includes a resolution to approve a contract with Electric Power Systems Inc. (EPS) to study options for adding 15MW of conventional (fossil fuel) generation to existing resources at the Dutch Harbor Power Plant, in another location yet to be determined or a combination of the two. It includes a distribution load flow analysis that evaluates the suitability of the existing distribution system and determine if any upgrades may be required in conjunction with the proposed power source.
- **City Financial Reports:** The Finance Department will present monthly financials at the 2nd council meeting every month. This change will give the department time to include the prior month's report more timely rather than have a month in between reporting.
- **Power Outage – January 29:** On January 29th at 21:21 a power surge caused the breaker on engine 8 to open, shutting down the engine and putting it into alarm. An investigation by the lineman located a failed switch (Margaret Bay Switch). The Margaret Bay Switch is a 4-way switch that allows power to route through East Point Rd and Airport Beach Rd loop, the City Substation, and controls the City/Unisea Intertie.
- **Rock Rock Slope Hazard Removal Project:** We received R&M's report dated January 31, 2024. I have attached a [copy of the report](#) along with some comments from our contractor who performed the hand scaling work for your review.

Currently, our team is in the process of gathering additional information regarding the most suitable alternative to pursue. We understand the importance of ensuring the safety of the Latitude 54 building while also being mindful of cost considerations. To this end, DPW and our consultants are assessing the various options available to us.

It's crucial to acknowledge that there is no one-size-fits-all solution for this project. Each recommendation comes with its own set of advantages and disadvantages. Therefore, we anticipate that the final approach will likely involve a combination of the recommendations.

- **Staffing Update:** Our recruitment firm, Baker Tilley, has 5 applicants for DPU Director and is continuing direct recruitment efforts. The first review of applicants will be made on February 12.

The tables below summarize the current staffing levels.

**Monthly HR Information
January 16, 2023 – February 9, 2024**

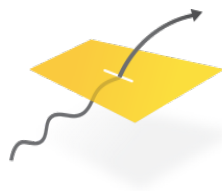
Type of Action	Number Of	Internal	External
Hires	2	1	1
Pending Hires	2	0	2
Pending Offers	1	NA	NA
Resignations	1	NA	NA
Separations	0	NA	NA

Position Openings

Department	# Of Openings	Notes
Administration	1	HR Mgr
Clerks	0	NA
DPS	4	Police Officer (2), Police Sergeant (2)
DPU	9	Director of Public Utilities, Water Operator, SW Supervisor, SW Op I WW Supervisor, Util Lineman (2), Util Lineman Chief, Apprentice Lineman
DPW	2	City Engineer, Installation Maint Worker
Finance	1	Controller
PCR	4	3 Lifeguards, Rec Coordinator
Planning	1	GIS Admin Replacement
Ports	0	NA
TOTAL	22	

Proposal for City Council Development

Presented to City of Unalaska
February 7, 2024



PROFESSIONAL GROWTH SYSTEMS

Professional Growth Systems

721 Depot Drive

Anchorage, Alaska 99501

www.professionalgrowthsystems.com

This proposal is the result of a series of telephone conversations and email exchanges with the City Manager and Assistant City Manager dating back to December 20, 2023

Summary

The City is seeking training/discussion among Council and with City Manager and the Mayor to gain agreement on the appropriate roles of each and a plan to improve the working relationships and effectiveness of the team that leads the City into the future.

Objectives

Among the results to be achieved from partnering between the City of Unalaska and Professional Growth Systems are the following:

- A. An understanding of what each Council member as well as City Manager and Mayor see as needed improvements in governance/leadership of the City
- B. Common agreement on the role of the Council vs. management in moving the community forward
- C. An assessment of how well the Council is performing on each of the ten major responsibilities of a governing board/Council
- D. An understanding of the basic tools needed for effective governance
- E. Drafting of a prioritized plan/schedule for accomplishing any development goals defined in the session

Scope of Work

A. Survey Data from Participants

There is an old adage in training that “the learner learns what he wishes to learn, when he wants to and from whom he wants to”. In order to assure that the session adds value to the participants, each participant in the training will be interviewed in advance and asked, “What questions do you want answered?”, “What outcomes would make spending the proposed time together valuable to you?”. A summary report of findings from the interviews will be presented at the beginning of the training session.

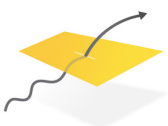
B. Supply Pre-Reading

Based on the results from the interviews, participants will be sent via email reading on topics that address the learning objectives.

C. Council/Management Training

A 3-4 hour training session for Council/management representatives to accomplish the following:

- Address questions raised in the interviews
- Reach agreement on role of Council, Mayor and City Manager
- Understand the tools that need to be in place for effective governance
- Complete a self-evaluation of Council performance on the 10 basic responsibilities of a governing board
- As needed, develop a prioritized list of needed improvements



D. Strategic Planning

On the day following the Council training, PGS will meet with the City Manager and others of his choosing to go over elements of a sound strategic planning process and discuss the need for such a process for the City.

Terms and Conditions

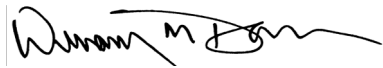
PGS agrees to complete the above scope of work in exchange for an investment of \$4,900 in professional fees plus travel costs to be billed upon completion of the scope of work.

Acceptance

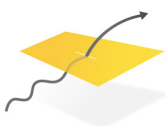
This proposal is accepted and forms an agreement between the City of Unalaska and Professional Growth Systems, Inc.

For Professional Growth Systems:

For City of Unalaska



William M. Dann, Founder



31 January 2024

R&M No. 3052.02

Peggy McLaughlin, Director
International Port of Dutch Harbor
748 Ballyhoo Road
Unalaska, Alaska 99692

RE: Slope Scaling Site Observation and Mitigation Alternatives - DRAFT
Port of Dutch Harbor, Latitude 54 Building, Unalaska, Alaska

Dear Ms. McLaughlin,

The City of Unalaska and the International Port of Dutch Harbor (Dutch Harbor) contracted R&M Consultants, Inc. (R&M) to provide on-site monitoring and assessment services in support of the rock slope hazard removal project at the Latitude 54 Building at the Port of Dutch Harbor. This first phase of the project included four days of light rock scaling work performed by your contractor Southeast Roadbuilders and which R&M provided on-site observations. The objectives of the rock scaling were previously outlined in R&M's report *Slope Hazard Removal Objectives*¹ and identified priority areas on the slope. This letter presents a summary of our observations made during the scaling activities, along with citing the progress made in reducing risk and identifying the rockfall hazards that remain.

To address the remaining hazard, multiple options for further mitigation are presented. Within that, an alternatives analysis was completed that compares each of the alternatives in terms of benefits versus drawbacks and challenges, coupled with a ranking matrix that scores multiple categories according to relative risk and relative cost. Findings of the alternatives analysis are summarized in **Table B-1** attached in **Appendix B** with conclusions at the end of this report. This focuses on the pending hazard at the south-west corner, however consideration should be made for integrating into future long-term solutions planned for the remainder of the existing rock cut.

SLOPE SCALING - SITE OBSERVATIONS

Scaling of the rock slope was performed by Southeast Roadbuilders between the dates of 04 to 07 December 2023. Scaling was accomplished by hand-operated tooling including pry bars. Scaling initiated in the upper portion of the wedge (identified as WU 1a)¹ and also included its upper corner with the existing backwall cut and the lower portion of the wedge (WL). Scaling was accomplished with the assistance of a 135-foot-reach manlift (see **Photos 1 through 4, Appendix A**). Some portions of the upper wedge were not entirely reachable with the manlift. After the reach to the upper wedge was exhausted, scaling from the man lift transitioned to areas at the left side of the cut slope (identified as CSL). Accumulations of rock fragments that were scaled off the face are noted at the base of the slope shown in **Photos 3 and 4**. Scaling activities then switched to roped-access from above the slope and focused on the upper portion of the wedge (WU 1a), as shown in **Photos 5, 6, and 10**. An outline of the areas where scaling was completed and conditions of the slope at the end of scaling activities are shown in **Photos 7 through 10**.

It is important to highlight that a critical joint within the wedge, located at the lower third of the Upper Wedge, was further revealed upon removal of surface rocks during scaling. The critical

¹ R&M Consultants, Inc., Slope Hazard Removal Objectives, Port of Dutch Harbor, Latitude 54 Building, Unalaska, Alaska, dated 05 December 2023.



R&M CONSULTANTS, INC.

9101 Vanguard Drive
Anchorage, Alaska 99507

phone: 907.522.1707
fax: 907.522.3403

feature of this joint is that it strikes in an opposing direction normal to the primary sill joint (which serves as base for the wedge, as shown in **Photos 5, 6, and 8, Appendix A**). The continuity of this joint into the slope is unknown; however, in a scenario where this opposing joint continues further across the wedge and/or into the hillside, the joint could create a discontinuity boundary to which the lower third of the upper wedge dislodges independent of the wedge above. The susceptibility of this rockfall at the lower third of the Upper Wedge is viewed as the greatest hazard remaining and should be priority for mitigation.

EXISTING CATCHMENT AND SLOPE GEOMETRY

The existing catchment area at the south-west corner of the building includes 29 to 32 foot separation between the base of the rock cut to the edge of the building, comprised of a relatively flat-bottomed ditch. There is currently a 6-inch-thick concrete wall along the south-west corner and along the backside of the building that is offset by 8.5 feet from the building. The existing concrete wall is 5.5 feet high with a chain link fence fastened above that is an additional 8 feet high. The height of the slope at the top of the wedge is about 70 feet and at the bottom is about 35 feet above grade at the parking lot. The Upper Wedge has a dimension of about 32 feet in the direction of its basal joint and about 35 feet wide at its broadest. The Lower Wedge is another 8 foot dimension below the upper wedge. Depth of the Upper Wedge is impossible to know; based on projection, the depth is estimated 20 to 24 feet at its thickest. The base plane of the wedge is defined by a prominent sill joint that is oriented dipping at about 52° vertically with dip direction of about 46° (in the NE direction). The existing rock cut behind the building dips at about 70° to 75° with dip direction of about 145° (in the SE direction).

There are reports, happening a decade ago, of a “school bus” sized block that dislodged from the face of the 100 to 120 foot high rock cut and damaged the north-west corner of the Latitude 54 building. Subsequent to that event, the north-west corner of the building was notched out and refaced and a concrete barrier wall was added. For comparison of geometry, that concrete wall is 8 feet high with a 30 inch wide footer base (it is unknown how deep the footer is buried or if its keyed), but favorable is the extra width of the catchment ditch that is notably wider at 33 to 51 feet to the wall, compared to 29 to 32 foot separation at the subject south-west corner.

ALTERNATIVES FOR FURTHER MITIGATION

Scaling is considered a successful first step, and further mitigation is recommended for next phase. The lower third of the Upper portion of the Wedge (WU 1a), from the overhang up to the opposing joint, remains the greatest rockfall hazard and is still considered the highest priority. Second to that are any remaining unstable portions of the overall wedge.

A number of possible alternatives for further mitigation, each ranging in form and function, are discussed below, including: a) stabilizing the wedge by rock bolting, b) restraining the rock, c) removal by blasting or mechanical means, and d) building a barrier by various means. Also presented are possible experimental uses of re-purposed tires that could be integrated into a number of barrier systems. Conceptual designs for each of the five alternatives, plus the options for re-purposing tires, are given below for evaluation. Conceptual designs should be considered preliminary and more detailed design and analysis needs to be performed for the preferred alternative(s).

1.0 Alternative 1 – Rock Bolts into the Wedge with Rockfall Netting

This alternative entails installing active rock bolts through the wedge that are drilled and anchored into the rock behind. A detailed design is necessary to determine number, size, and length of anchors. A conceptual configuration would include 4 to 5 primary rock bolts, each installed a minimum of 12 to 15 feet behind the potential failure planes of the wedge. Total bolt length could be on the order of 35 feet, depending upon number and size. Anchor bolts should be high-strength all-thread bars set into cleaned and flushed drill holes that are cement-grouted in place. Grouting should be in two stages with an unbonded length through all or most of the wedge. Rock bolts should have an over-sized bearing plate mated to

the face (to transfer load and reduce erosion/rock toppling) and be post tensioned. The purpose of tensioning is to develop normal stresses on the rock joints and thereby engaging inter-block/inter-joint friction and interlock.

Rockfall netting should be integrated into the solution, to protect against smaller sub-block failures caused by fracture frequency within the wedge. Rockfall netting should be comprised of a wire mesh with cable net anchor system that is draped onto the slope. An example product is Tecco Rockfall Drape by Geobrugg. The netting needs to be properly anchored and secured into the slope above the wedge and may also require anchors and cables attached along the sides, depending upon the system. Additional dowels are not necessary to pin the netting onto the face.

1.1 Benefits of: Alternative 1 – Rock Bolts

A properly designed and successfully installed rock bolting system would effectively stabilize the wedge and greatly reduce or eliminate the risk of large block failures. Tensioning the bolts engages inter-block / inter-joint friction. Accompanied with rockfall netting, the system would also be effective at trajectory control, directing small and medium sized blocks toward the existing catchment at the base of the slope. We consider bolting the wedge as the best alternative serving to stabilize the rock, besides removal.

1.2 Drawbacks and Challenges of: Alternative 1 – Rock Bolts

The greatest drawbacks of this alternative are construction difficulties performing work up on the slope and cost. Specifically, it will be challenging to position a drill rig at the face of the wedge to install the anchor bolts. Care must be given not to destabilize sub-blocks during the installation, however this risk can be managed safely during construction. Access with a drill rig above the wedge will also be necessary to install anchors to secure the rockfall netting from above.

2.0 Alternative 2 – Cable Lashing with Rockfall Netting

Alternative 2 is conceptualized as a series of rock anchors set beyond the left and right margins of the wedge and then attached to high-strength cable that is laced between the anchors across the wedge face. The total number of anchors is estimated to be 3 to 4 minimum on each side of the wedge. A double-leg wire-rope-to-anchor system would be required for attaching independent cable lashings. Anchors must be drilled at an angle pitched up into the rock, such that primarily tension forces develop on the anchor (to minimize bending on the tendon), and in order to counter the restraining forces on the cables. Once attached, cables need turnbuckles for tensioning the restraint onto the face. Rockfall netting should be draped over the slope same as Alternative 1. There may become a need or usefulness for a rock fence or rock attenuator integrated at the base of the slope. There is insufficient space for an attenuator as a stand-alone solution.

2.1 Benefits of: Alternative 2 – Cable Lashing

In comparison to Alternative 1, in lieu of rock bolting, the only advantage of cable lashing is allowance for positioning the drill rig to the sides of the wedge and thereby working outside of its trajectory.

2.2 Drawbacks and Challenges of: Alternative 2 – Cable Lashing

Like Alternative 2, the greatest challenge will be positioning a drill rig up on the slope to complete the work and cost. The other critical drawback of this alternative is that this system is completely passive, and despite tensioning the lashing cables, does not add tension forces into the rock mass. Because of that, unlike bolting the wedge as stated in Alternative 1, lashing does not serve to stabilize the rock mass. There would also remain potential for smaller sub-blocks to dislodge and not be restrained by or slip between the cables, depending upon the configuration and frequency of the cable ties. The geometry is not ideal for tensioning anchors and cable. This alternative is not recommended for these reasons.

3.0 Alternative 3 – Blasting

This alternative entails controlled blasting to remove the remaining unstable portions of the wedge. The building needs to be protected from fly-rock and debris during blasting using a temporary barrier and blast mats on the slope. Measures would also need to be taken to ensure no damage to the nearby petroleum tanks. A blasting plan should be submitted for review and approval prior to work. The cavity left by removing the wedge would collect and concentrate surface runoff which may need management system in place.

3.1 Benefits of: Alternative 3 – Blasting

The primary advantage of this alternative is removal of the hazard. Blasting would likely achieve a more complete excavation of the wedge compared to mechanical removal (Alternative 4).

3.2 Drawbacks and Challenges of: Alternative 3 – Blasting

There are several challenges to executing blasting, including: a) challenging to access the rock face with drilling equipment for drilling blast holes, b) during multiple shots, there is risk of further destabilizing the rock/wedge making subsequent shots unsafe or less feasible, c) potential for back shatter or over-breakage into rock mass not intended for removal, and d) significant effort required to temporarily protect the building during blasting. The current contractor has deemed blasting unfeasible & unsafe, that is, without significant effort to protect the building, workers, and blast area. This alternative has a risk for uncontrolled rockfall during construction. There is also a substantial-to-severe risk of destabilizing unintended rock behind the wedge or discovering unfavorable rock conditions at the backwall of the blasted cut; where each of these carries the potential for additional unforeseen mitigation. We view these challenges and risks as fatal flaws.

4.0 Alternative 4 – Mechanical Rock Removal

Alternative 4 entails removing the wedge by various mechanical tooling; such as pneumatic demolition hammers, rock drills, and hydraulic breakers. These methods could be used in combination with splitters or separators, such as chemical expanders, mechanical/hydraulic splitters, or air bags. Personnel, equipment, and the building would need to be protected from rockfall during construction.

Use of heavy equipment would be the most productive way to mechanically excavate rock, however the rock slope is just out of reach for most equipment positioned from the ground, except for a larger sized specialized long-reach excavator with breaker. Therefore, it would require a means to suspend equipment on the slope, such as anchored platforms from above or maybe a crane lift. If not practical, the other option is hand-operated tooling. Given their lower busting energy, hand-operated tooling would be more time-consuming, labor intensive, and potentially less effective at completely removing materials from deeper into the wedge.

The rock mass of greatest hazard and highest priority for removal is the lower half of the Upper portion of the Wedge (WU 1a). This would include removing rock from the wedge at least up to the opposing joint and then cutting that back face to stable form. After removal, condition and stability of the remaining rock needs to be evaluated to determine if additional excavation or mitigation is warranted. Looking up at the wedge from the catchment ditch, there appears to be a few joints at the planar interface between the Lower Wedge (WL) and the Upper Wedge (WU) that could be exploited by splitting.

4.1 Benefits of: Alternative 4 – Mechanical Rock Removal

The primary benefit of Alternative 4 is avoiding the challenges with executing blasting. And would be especially beneficial if mechanical excavation could somehow be conducted with specialized heavy equipment from the ground. There is also less risk of disturbing the rock mass beyond the wedge with these directed methods (as opposed to opportunity for over-breakage or back shatter during blasting). By excavating smaller portions of rock at a time there is lower risk of striking

the building with debris (compared to blasting), especially if protected properly. Removing most or all of the wedge, including the lower half of WU, would effectively eliminate or greatly reduce the hazard. There is an opportunity to use stacked tire bales (see option 6 below) as temporary and permanent barrier.

4.2 Drawbacks and Challenges of: Alternative 4 – Mechanical Rock Removal

There is a moderate potential for uncontrolled rockfall during construction, albeit of smaller size if managed, and risk of inadvertently destabilizing unintended rock. This alternative requires measures to protect the building during construction. Mechanical excavation by hand-operated tooling is labor intensive and may not remove as much rock as heavier equipment would.

5.0 Alternatives 5a & 5b – Barriers: Concrete Wall or MSE Embankment

Alternative 5a entails constructing a concrete wall to serve as a barrier along the corner of the building. The wall needs to be tall enough to block the trajectory and bouncing of rockfall and have strength to withstand rockfall impact. The best configuration would be an L-shaped wall built immediately inside and same alignment as the existing wall (which should be left in-place) and as near the building as possible to allow the widest catchment ditch. The required length of the wall is estimated to be roughly 45 feet. The necessary wall height should be determined based on a detailed rockfall analysis; but for planning purposes, the required height is estimated to be about 14 to 15 feet high at its crest and can taper toward its edges. The wall section is envisioned similar to a cantilever retaining wall and with toe slab and counterforts. The thickness of the wall needs to be determined by structural design. Concrete volume is estimated to be about 50 CY.

Stackable interlocking pre-cast concrete blocks could also be considered; however the higher wall needed here would require a double-wide stack for stability. And therefore, a cast-in-place wall this high is a more efficient use of concrete.

A similar solution, Alternative 5b includes forming a barrier using a two-sided mechanically stabilized earth (MSE) embankment. An example reinforced embankment includes a gabion-faced MSE wall on both sides and the core of the embankment is comprised of layers of granular fill that is reinforced horizontally with geosynthetic fabric and where the geosynthetic wraps back into the next layer of reinforced fill. Both sides of the wall are faced with gabion baskets that have integral tails that are also tied into the horizontal reinforcement. Reinforcing the core fill materials with the wrapped geosynthetic layers makes the embankment intrinsically stable, such that stability is maintained independent of facing, in case the facing materials suffer damage from rock fall. Damage to the facing could be repaired afterwards. Smaller sized gabion baskets typically 1.5 foot square are recommended for this application. As with the concrete wall, the embankment height should be determined based on a detailed rockfall analysis, but is estimated the same 14 to 15 feet. The reinforced embankment prism is conceptually 9 foot minimum base width, slightly battered faces at 1H:6V, and about 5 foot minimum width at its top. The wall should be positioned as far as possible away from the base of the rock slope to maintain as much catchment width as possible and positioned beyond the potential impact zone or a minimum 14 foot separation.

5.1 Benefits of: Alternatives 5a & 5b – Concrete Wall or MSE Embankment

The primary benefit of placing a barrier wall is avoiding the construction difficulties associated with mitigation or removal work happening up on the rock slope. Secondly, construction is relatively straight-forward for the various walls.

The concrete wall (Alt. 5a) has the benefit over the MSE embankment (Alt. 5b) due to its narrower profile, which allows for more catchment space at the base of the slope that is more effective at protecting the building. The MSE Wall (Alt. 5b) has the benefit over the concrete wall (Alt. 5a) given its flexibility, greater mass, and potential cost savings. Both wall types also have the potential benefit of integrating re-purposed tires into the design, as discussed in sections below.

5.2 Drawbacks and Challenges of: Alternative 5a & 5b – Concrete Wall or MSE Embankment

The main drawback to building a barrier is that it only serves to protect the building, but the rockfall potential remains unmitigated. Cost could be an impediment for the concrete wall, which is expected to be more than the embankment.

6.0 Experimental Use of Old Tires

We understand that the City Landfill has a surplus of waste tires. Re-purposing these tires is evaluated here as a potential cost-effective, albeit unsightly, means to enhance mitigation measures and/or provide a rockfall barrier. It is understood there is an abundance of loose tires of various sizes, and also the ability to form bales of tires by using a hydraulic press to compress 50 to 70 tires and then wrap the bundle with ties. The finished dimensions of the bales are roughly 5 x 4 x 2.5 feet. Admittedly, we offer no direct experience nor are we aware of any use on civil projects in Alaska. However, Colorado Department of Transportation (CDOT) completed a 2005 feasibility study in response to growing interest in the utilization of recycled tire bales for use in civil transportation applications, concluding that tire bales are viable and effective as use for fill embankments and in applications as rockfall barriers. We view their use as a viable cost-effective measure to utilize local materials and enhance the barrier alternatives.

Internal or external stability of these wall configurations have not been evaluated here. Internal interface shear and frictional resistance of the compiled bales is unknown, but is expected to be lower compared to gravel fill in part due to its lower unit weight (less than a third), but should be sufficient with proper design. Defining physical and engineering properties of the stacked bales would be required to assess a stable configuration. Behavior of the stacked bales in response to rockfall strikes is also unknown, but is expected to be favorable. For these reasons, their use should be considered experimental. Trial configurations could be built and tested on the grounds of the landfill for evaluation. All tie wires should have sufficient integrity to withstand handling and construction and be protected from corrosion to maintain long-term strength over their service life. Potential environmental issues, such as possible leachate into surface waters, have not been evaluated here. Nor has there been any consideration of any fire protection measures related to ignitability and flammability of tire bales.

Experiment 6a – Tire Bales Stacked In Front of a Concrete Wall

This conceptual configuration includes a single row of stacked bales placed in front of a concrete wall barrier with separation. These could be added as an impact buffer to Alternative 5a to reduce impact energy onto the wall and thereby reduce strength demand on the concrete. Tire bales can be placed flat in a “brick fashion” with their least dimension (2.5 feet) vertically and each layer staggered to offset joints. The single row of bales would be on the order of 5 bales tall, 50 foot base length, and tapered down at 1H:1V steps at each end. The total number of bales is estimated to be 45.

Experiment 6b – Tires Used as Impact Face of MSE Wall

Potential use of tires could be integrated into the MSE embankment barrier (Alt. 5b). The first scenario could entail using a single stack of tire bales to form the front impact side of the reinforced berm, which are built integrated with the layers of geosynthetic reinforced earthen fill described in Alternative 5b. The facing on the opposite side could remain as reinforced gabion baskets, but where the basket heights are adapted to match the (2.5 foot) layering heights of the bales. Nominal dimensions could be 15 feet height, 13 feet wide at the base, and about 9 feet wide at the top. The total number of bales is estimated to be 45. Another scenario is building the MSE wall as described in Alternative 5b, but enhanced by adding individual tires in stacks that are woven and lashed together in front of the MSE wall to dissipate energy and protect the facing from damage. This latter scenario is not evaluated separately when comparing alternatives.

Experiment 6c – Tire Bales Stacked as Stand-Alone Barrier

It may be possible to stack tire bales in a stable fashion to serve as a stand-alone barrier, in lieu of Alternatives 5a or 5b. A concept section would include two rows of stacked bales built as a trapezoidal prism with the inner core space between

stacks filled with angular gravel fill that is reinforced with geosynthetics. The stacks could be six bales high or 15 feet, have a widened base at least 15 feet wide, 10 feet wide or two bales across at the top, and battered faces no steeper than 1H:6V. The total number of bales is estimated to be 100. Any fill materials exposed at the ends of the wall would need to be contained by layered geosynthetic fabric and the fabric covered. Important to reiterate is that internal and external wall stability has not been evaluated here and is necessary if selected. Options 6a and 6b are preferred over 6c.

Experiment 6d – Tire Bales Stacked as Temporary Protection During Rock Removal

Stacks of tire bales could also be considered as a temporary protective barrier for the building during construction.

ALTERNATIVES ANALYSIS

To facilitate decision making, an alternatives analysis was completed that compares each of the options in terms of benefits versus drawbacks and challenges, coupled with a ranking matrix that scores each across multiple categories according to relative risk and relative cost. The alternatives analysis includes seven categories subject to ranking (defined below) and each received a score based on relative scale 1 to 5 (better to worse, defined below). Findings of the alternatives analysis are presented in **Table B-1 (Appendix B)** and conclusions are given at the end of this report.

Seven categories subject to ranking include:

- Two categories for post-construction risk, including:
 - Relative measure of **rockfall hazard mitigated**, and
 - Degree of **protection provided for the building and life / safety**.
- One category for **relative cost**.
- Four categories for risk during construction, reflecting its complexity, include:
 - **Constructability**,
 - Relative **risk of uncontrolled rockfall** during construction,
 - **Construction life / safety**, and
 - **Unintended destabilizing of rock** behind the targeted wedge & unforeseen additional mitigation.

Relative scoring for risk and cost ranged between 1 and 5 defined as follows:

- **1 = Lowest** risk or cost
- **2 = Minor** risk or cost
- **3 = Moderate** risk or cost
- **4 = Substantial** risk or cost
- **5 = Severe** risk or cost or fatal flaw

Total scores are a collective tally from each category, with the first three categories (post-construction risk and cost) receiving a priority weighted factor of 1.5 and the other four categories (construction risk) allocated a weighting factor of 1.0. Important to note is that all costs are relative and actual dollar costs for construction have not been estimated.

CONCLUSIONS

Conclusions of the alternatives analysis are summarized in **Table 1** below. In our view, removal of the rock by mechanical methods (**Alternative 4**) is the best alternative to **reduce or eliminate the hazard**, while also not being overly challenging for construction. This is especially true if removal can be performed by using specialty equipment to reach from the ground. Bolting the wedge (**Alternative 1**) is the **best and only recommended means to stabilize** the rock in-place. It is our opinion, building a barrier using tires bales as the impact face of an MSE embankment (**Option 6b**) provides the **highest ratio of effectiveness to cost**. However, none of the barrier alternatives stabilize or remove the looming rock overhead.

Table 1: Conclusions of Alternatives Analysis

Alternative	Conclusions	Total Score
Alternative 1 – Rock Bolts into the Wedge with Rockfall Netting	<ul style="list-style-type: none"> • Best method to stabilize rock in-place. • High Relative Cost. • Moderately challenging construction. 	23
Alternative 2 – Cable Lashing with Rockfall Netting / Rock Attenuation	<ul style="list-style-type: none"> • Not Recommended. • Passive system does not stabilize wedge. • Highly challenging construction and high relative cost. 	28
Alternative 3 – Blasting	<ul style="list-style-type: none"> • Substantial challenges to executing blasting. • Greatest potential for destabilizing unintended rock. • Current contractor deemed blasting unfeasible / unsafe. (without significant measures of protection). • Concluded to have fatal flaws. 	27
Alternative 4 – Mechanical Rock Removal	<ul style="list-style-type: none"> • Best alternative to reduce the rockfall hazard while also not being overly challenging or risky for construction. • Especially beneficial if mechanical excavation could somehow be conducted with specialized equipment from the ground (e.g. large long-reach excavator with breaker) 	23
Alternative 5a – Barrier: Concrete Wall	<ul style="list-style-type: none"> • Amongst all barrier types, the concrete wall is most effective at protecting the building. • See option 6a for adding impact face. • All barrier types do not mitigate stability of the rock, yet • Are straight-forward to build. 	21
Alternative 5b – Barrier: MSE Embankment	<ul style="list-style-type: none"> • High effectiveness to cost ratio. • See option 6b for adding impact face. • All barrier types do not mitigate stability of the rock, yet • Are straight-forward to build. 	20
Option 6a – Tire Bales Stacked In Front of a Concrete Wall	<ul style="list-style-type: none"> • Cost effective and locally available. • Impact buffer reduces impact energy and wall thickness. • All barrier types do not mitigate stability of the rock, yet • Are straight-forward to build. 	20
Option 6b – Tires Bales Used as Impact Face of MSE Embankment	<ul style="list-style-type: none"> • Highest effectiveness to cost ratio. • Cost effective and locally available. • All barrier types do not mitigate stability of the rock, yet • Are straight-forward to build. 	18
Option 6c – Tire Bales Stacked as Stand-Alone Barrier	<ul style="list-style-type: none"> • Cost effective and locally available. • Widest base (~15 ft) takes up key catchment space. • Not preferred over options 6a and 6b. • Experimental and unproven. Stability needs verifying. 	19
Option 6d – Tire Bales Stacked as Temporary Protection During Rock Removal	<ul style="list-style-type: none"> • Various forms and uses are to be determined. • Cost effective and locally available. • Experimental. 	n/a

CLOSURE

The information presented in this report is based on our understanding of the proposed project, our site observations, and the other pertinent information listed herein. Because subsurface characteristics can change significantly within a given area, and with the passing of time, the possibility exists that important conditions not disclosed by this investigation may be discovered on the site during construction. Should this situation occur, the influence of the new information on the design aspects should be evaluated without delay.

R&M Consultants, Inc. performed this work in a manner consistent with the level of skill ordinarily exercised by members of the profession currently practicing under similar conditions. No warranty, express or implied, beyond exercise of reasonable care and professional diligence, is made. This report is intended for use only in accordance with the purposes of study described within.

We appreciate the opportunity to perform this geotechnical investigation. Should you require further information concerning the investigation or this report, please contact us at your convenience.

Very truly yours,

R&M CONSULTANTS, INC.

DRAFT NO SIGNATURES

Travis Ross, PE
Senior Geotechnical Engineer

ATTACHMENTS: Appendix A: Photograph Log.
Appendix B: Table B-1: Summary of Alternatives Analysis for Further Mitigation

Photo 1



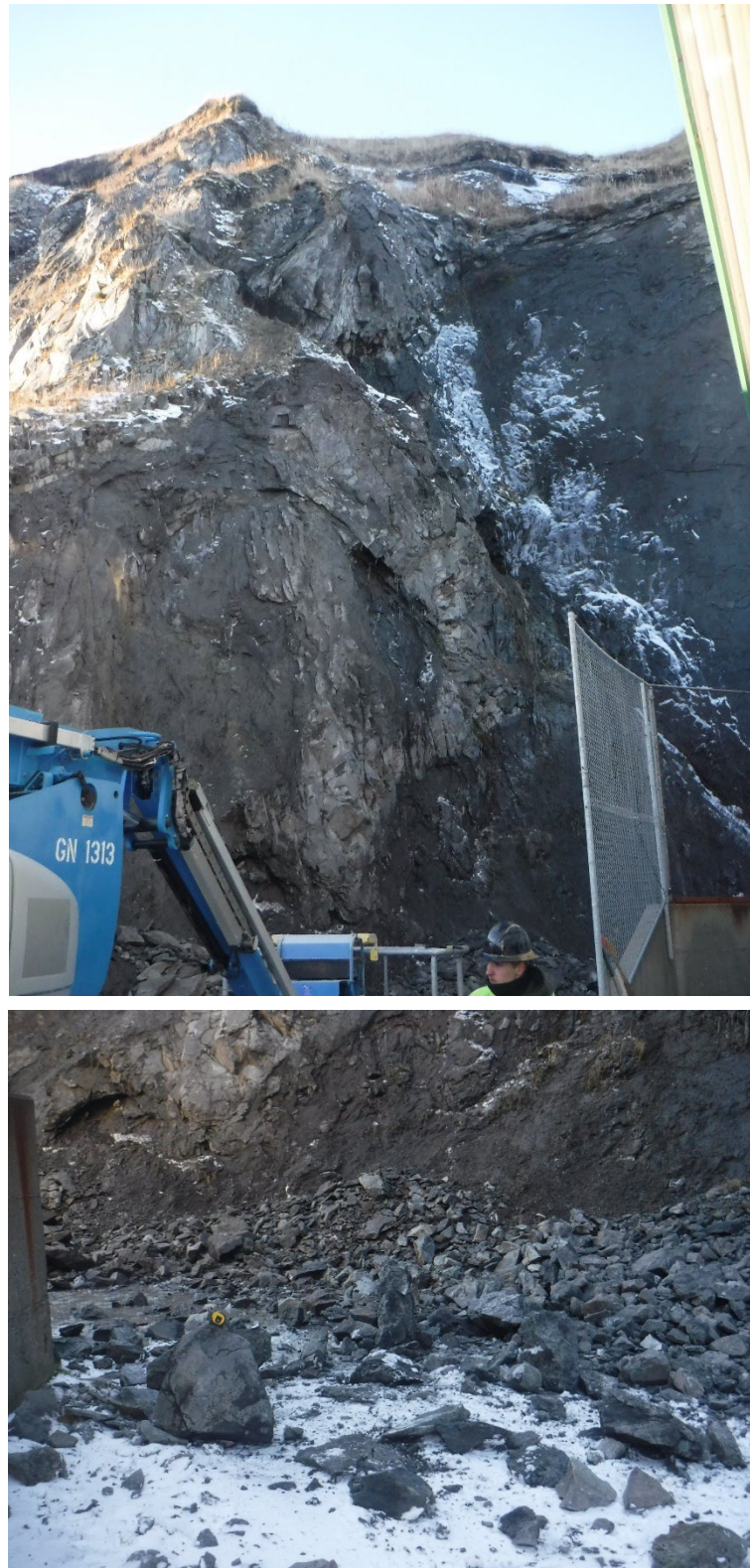
Description: Day 1 Scaling Operations at WU 1a Via Manlift
Photo Date: Dec 05, 2023

Photo 2



Description: Day 1 Scaling Operations at WU 1a Via Manlift
Photo Date: Dec 05, 2023

Photos 3a & 3b



Description: Scaling Progress and Accumulations of Rocks Scaled Off the Face (WU 1a, CSL) After Day 1.
Photo Date: Dec 05, 2023

Photos 4a & 4b



Description: Scaling Progress and Accumulations of Rocks Scaled Off the Face (WU 1a, CSL) After Day 1.
Photo Date: Dec 05, 2023

Photo 5



Description: Scaling Progress
Photo Date: Dec 07, 2023

Photo 6



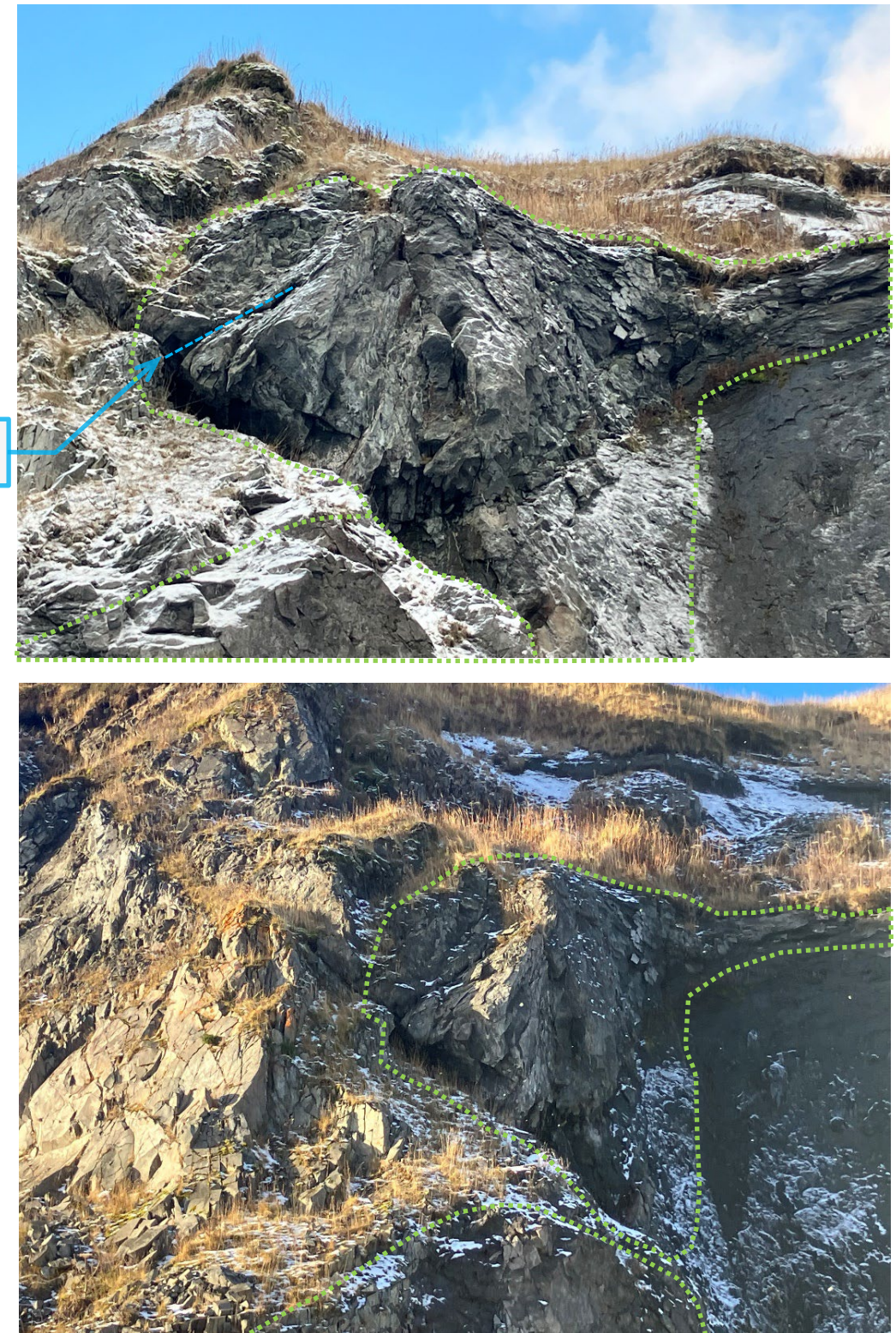
Description: Scaling Progress Upper Wedge
Photo Date: Dec 07, 2023

Photo 7



Description: Condition and Outline of Completed Scaling
Photo Date: Dec 07, 2023

Photo 8



Description: Condition and Outline of Completed Scaling
Photo Date: Dec 07, 2023

Photo 9



Description: Condition and Outline of Completed Scaling
Photo Date: Dec 06, 2023

Photo 10



Description: Condition and Outline of Completed Scaling
Photo Date: Dec 07, 2023

TABLE B-1: SUMMARY OF ALTERNATIVES ANALYSIS FOR FURTHER MITIGATION - DRAFT
PORT OF DUTCH HARBOR, LATITUDE 54 BUILDING, UNALASKA, ALASKA

Alternative	Features	Benefits	Drawbacks and Challenges	Comments	Ranking Categories and Score							Total Score
					Post-Construction Risk		Cost	Construction Phase Risk			Unintended Destabilizing Rock / Additional Mitigation ^B	
					Rockfall Hazard Mitigated	Building Protection & Life/Safety	Relative Cost ^A	Constructability	Uncontrolled Rockfall During Construction	Construction Life/Safety		
					Respective Scores Weighted by Factor of 1.5 in Total			Respective Scores Weighted by Factor of 1.0 in Total				
Alternative 1 – Rock Bolts into the Wedge with Rockfall Netting	<ul style="list-style-type: none"> 4 to 5 primary bolts. Bolts installed 12 to 15 feet behind the potential failure planes of the wedge. Total bolt length could be on the order of 35 feet. High-strength all-thread bar grouted in place. Rockfall netting draped over the slope (e.g. Tecco Rockfall Drape by Geobrugg). 	<ul style="list-style-type: none"> Stabilizes the wedge, greatly reducing risk of large blocks. Tensioned bolts engaging inter-block/inter-joint friction. Rockfall netting effective at trajectory control of small and medium sized blocks. 	<ul style="list-style-type: none"> Construction difficulties performing work up on the slope. Specifically, it will be challenging to position a drill rig at the face of the wedge to install the anchor bolts. Care must be given not to destabilize sub-blocks during construction. Access needed above the slope for anchoring rockfall netting. 	<ul style="list-style-type: none"> Best method to stabilize rock in-place. 	2	2	4	3	3	3	2	23
Alternative 2 – Cable Lashing with Rockfall Netting / Rock Attenuation	<ul style="list-style-type: none"> Estimated 4 anchors on each side of the wedge. High-strength cable that is laced between the anchors across the wedge face. Rockfall netting draped over the slope. May need rock fence or rock attenuator integrated at base of slope. 	<ul style="list-style-type: none"> Only advantage of cable lashing (instead of rock bolting Alt. 1), is allowance for positioning the drill rig to the sides of the wedge and thereby working outside of its trajectory. 	<ul style="list-style-type: none"> Construction difficulties performing work up on the slope. Passive system does not add tension forces into the rock mass, therefore does not stabilize the wedge. Only restrains larger intact blocks, medium and smaller blocks still have potential to slip between cables. Geometry not ideal for tensioning anchors and cable. 	<ul style="list-style-type: none"> Not Recommended. Passive system does not stabilize wedge. 	4	3	4	4	3	2	2	28
Alternative 3 – Blasting (in combination with protecting the building)	<ul style="list-style-type: none"> Controlled Blasting 	<ul style="list-style-type: none"> Primary advantage is removal of the hazard. Blasting achieves more complete excavation of the wedge, compared to mechanical removal (Alt. 4). 	<ul style="list-style-type: none"> Accessing the rock face with drilling equipment. Multiple shots there is risk of further destabilizing the rock/wedge making subsequent shots unsafe or less feasible. Potential for back shatter or over-breakage into rock mass not intended for removal. Significant effort required to temporarily protect the building during blasting. 	<ul style="list-style-type: none"> Current contractor deemed blasting unfeasible / unsafe, without significant effort to protect the building, workers, and blast area. 	2	2	3	3	4	4	5	27
Alternative 4 – Mechanical Rock Removal (in combination with protecting the building)	<ul style="list-style-type: none"> Rock excavation by various mechanical tooling; pneumatic demolition hammers, rock drills, and hydraulic breakers. Chemical or mechanical/hydraulic splitters or air bags. Specialized heavy equipment from the ground, such as: long-reach excavator with breaker or crane assist. Or hand-operated tooling suspended on the slope. 	<ul style="list-style-type: none"> Primary benefit is avoiding the challenges with blasting. Lower risk of uncontrolled rockfall and destabilizing unintended rock during construction, compared to blasting. Especially beneficial if mechanical excavation could somehow be conducted with specialized equipment from the ground (e.g. large long-reach excavator with breaker). Removing the wedge greatly reduces the hazard. 	<ul style="list-style-type: none"> Moderate potential for uncontrolled rock fall during construction. Requires measures to protect the building during construction. Mechanical excavation by hand-operated tooling is labor intensive, and may not remove as much rock as heavier equipment. 	<ul style="list-style-type: none"> Best alternative to reduce the rockfall hazard while also not being overly challenging or risky for construction. Opportunity to use stacked tire bales (6a) as barrier. 	2	2	3	3	3	3	3	23
Alternative 5a – Barrier: Concrete Wall	<ul style="list-style-type: none"> L-shaped wall at corner of the building. Height ~15 ft. Length ~45 ft. Wall thickness to be determined based on structural design. Cantilever wall with toe slab and counterforts. Estimated ~50 CY concrete. 	<ul style="list-style-type: none"> Primary benefit is avoiding the construction difficulties associated with work happening up on the rock slope. Relatively straight-forward construction. Concrete wall has narrower profile than MSE embankment (Alt. 5b) allowing for more catchment space at the base of the slope. 	<ul style="list-style-type: none"> The main drawback to building a barrier is that it only serves to protect the building, but the rockfall potential remains unmitigated. 	<ul style="list-style-type: none"> Opportunity to use stacked tire bales (6a) as impact buffer. Amongst all barrier types, Concrete Wall is most effective at protecting the building. 	4	3	3	2	1	2	1	21
Alternative 5b – Barrier: MSE Embankment	<ul style="list-style-type: none"> Same height, length, and configuration as concrete wall. Est. min. dim. 15 ft height, 9 ft width at base, 5 ft at top, and 45 ft length. Gabion-faced MSE Wall, battered faces. Or other facing options. Core is gravel fill reinforced with layers of geosynthetic fabric wrapped behind gabion. 	<ul style="list-style-type: none"> Same as Alt. 5a. MSE Wall has the benefit over the concrete wall (Alt. 5a) given its flexibility, greater mass, and potential cost savings. Locally available fill materials. Internal reinforced core of embankment is intrinsically stable, in case of damage suffered to the facing. 	<ul style="list-style-type: none"> Same as Alt. 5a. Width of MSE reduces catchment space for rockfall impact, and may hinder equipment access for cleanout. 	<ul style="list-style-type: none"> Opportunity to use stacked tire bales (6b) as impact buffer. High effectiveness to cost ratios, along with Experiment 6b. 	4	3	2	2	1	2	1	20
Experimental Options 6 – Use of Re-Purposed Tires:	<ul style="list-style-type: none"> Tire bales roughly 5 x 5 x 2.5 ft (~50 to 70 tires hydraulically pressed then wrapped w/ cable ties). 	<ul style="list-style-type: none"> Cost effective. Locally available materials and methods. 	<ul style="list-style-type: none"> Performance, behavior, & stability unknown/unproven. 	<ul style="list-style-type: none"> CoDOT feasibility report=> viable and effective. 	--	--	--	--	--	--	--	--
6a – Tire Bales Stacked In Front of a Concrete Wall (Integrated with Alt. 5a)	<ul style="list-style-type: none"> Tire bales placed to augment Alt. 5a. Single stack, 5 bales tall, placed in a "brick fashion". 50 foot length. Roughly 45 bales. 	<ul style="list-style-type: none"> Offers impact buffer to reduce impact energy onto the wall and thereby reduce strength demand on the concrete and reduce wall thickness. No specialized equipment. Local materials & contractor. Provides adequate protection for building. 	<ul style="list-style-type: none"> Experimental, unproven. Rockfall hazard remains unmitigated. 	<ul style="list-style-type: none"> Case study research needed to evaluate behavior during impact and engineering parameters. Trial configurations could be built and tested on the grounds of the landfill for evaluation. 	4	2	3	2	1	2	1	20
6b – Tires Bales Used as Impact Face of MSE Embankment (Integrated with Alt. 5b)	<ul style="list-style-type: none"> Single stack of tire bales on impact side of the MSE reinforced embankment. Gabion-faced non-impact side. Built integrated with the layers of geosynthetic reinforced embankment described in Alt. 5b. Est. min. dim. 15 ft height, 13 ft wide base, 9 ft at top, and 45 ft length. Roughly 45 bales. 	<ul style="list-style-type: none"> Cost effective. No specialized equipment. Local materials & contractor. Provides adequate protection for building. 	<ul style="list-style-type: none"> Experimental, unproven. Internal and External stability needs to be verified. Behavior of tire bales in this application unknown. Wide base (13 ft) takes up catchment space. Rockfall hazard remains unmitigated. 	<ul style="list-style-type: none"> Experiment 6b provides highest effectiveness to cost ratio. 6a and 6b are preferred over 6c. 	4	2	2	2	1	2	1	18
6c – Tire Bales Stacked as Stand-Alone Barrier	<ul style="list-style-type: none"> Two rows of stacked bales built as a trapezoidal prism. Inner core filled with angular gravel fill reinforced with geosynthetics. Est. min. dim. 15 ft height, 15 ft wide base, 10 ft at top (two bales wide), and 50 ft length. Roughly 100 bales. 	<ul style="list-style-type: none"> Cost effective. No specialized equipment. Local materials & contractor. Provides adequate protection for building. 	<ul style="list-style-type: none"> Experimental, unproven. Internal and External stability needs to be verified. Behavior of tire bales in this application unknown/unproven. Widest base (~15 ft) takes up key catchment space. Rockfall hazard remains unmitigated. 		4	3	1	3	1	2	1	19

NOTES: A) Costs are relative. Estimated actual costs for construction were not completed for this exercise.

B) Unintended destabilizing of rock refers to inadvertently altering the rock mass behind the targeted wedge. Also encompasses the potential for poor rock conditions at the backwall of the rock cuts. Each scenario could necessitate unforeseen additional mitigation.

C) Lower total score represents better ranking. Weighting factors above unity reflect priority categories and also consider that construction risk was discerned into multiple categories.

KEY:	Relative Risk:	1 = Lowest Risk	2 = Minor Risk	3 = Moderate Risk	4 = Substantial Risk	5 = Severe Risk / Fatal Flaw	Lower = better.
	Relative Cost:	1 = Lowest Cost	2 = Minor Cost	3 = Moderate Cost	4 = Substantial Cost	5 = Severe Cost / Fatal Flaw	

**CITY OF UNALASKA
HISTORIC PRESERVATION COMMISSION
2023 ANNUAL REPORT**



This annual report is designed to serve multiple functions: to summarize the historic preservation activities of the Unalaska Historic Preservation Commission; to serve as a resource document; to note future historic preservation related activities; and to meet the requirements of § 2.60.090, Unalaska Code of Ordinances.

The following residents of Unalaska served on the City of Unalaska's Historic Preservation Commission in 2023:

Chair Travis Swangel
Vice Chair Caroline Williams
Ian Bagley
Virginia Hatfield
Rainier Marquez
City Manager: William Homka (June, 2023)
Acting City Manager: Chris Hladick (Left June, 2023)
Acting Planning Director: William Homka (November, 2022 to June 2023)
Planning Director: Cameron Dean (Started September 2023)

The Historic Preservation Commission is supported by the City of Unalaska's Planning Department, which consists of:

William Homka, AICP, City Manager,
Acting Planning Director (November, 2022 to September 2023)
Cameron Dean, Planning Director (Started September, 2023)
Thomas Roufos, Associate Planner (Since April 2016)
Teri Salazar-Lascano, Administrative Assistant (Moved to Public Works January, 2023)
Elaine Blankenship, Administrative Assistant (Hired October, 2023)

HISTORIC PRESERVATION COMMISSION
RESOLUTION 2024-01

In accordance with § 2.60.090 of the Unalaska Code of Ordinances, the City of Unalaska's Historic Preservation Commission officially adopts the following annual report, filing the same with the Unalaska City Council.

CITY OF UNALASKA
HISTORIC PRESERVATION COMMISSION

BY: 

Travis Swangel
Commission Chair



Cameron Dean
Secretary of the Commission

DATE OF ADOPTION: 1/18/24

INTRODUCTION

City Council approved Ordinance 2014-05 in 2014 which amended various sections of Title 2 of the Unalaska Code of Ordinances, including sections related to Historic Preservation. The Planning Department and Parks, Culture, and Recreation Department consulted with the City Attorney regarding the selection process of Historic Preservation Commissioners. Approved changes created a new UCO 2.76.015, stating that the Historic Preservation Commission membership is the Planning Commission membership, including the Planning Commission's *ex officio* members (*i.e.*, the City Manager and the Director of Planning). While remaining non-voting for Planning Commission decisions, the City Manager and Director of Planning would be full members of the HPC.

Unalaska Code of Ordinances §2.76.040 identifies the duties and responsibilities of the HPC. This is based on the requirements of local governments participating in the Alaska Certified Local Government Historic Preservation Program. The duties and responsibilities are listed below.

- To survey and inventory community historic resources including historic, architectural, and archaeological resources within the community;
- To review nominations to the National Register of Historic Places and consulting with federal and State authorities in section 106 reviews under the National Historic Preservation Act;
- To act in an advisory role to other officials, and to City Departments regarding the identification and protection of local historic and archaeological resources and historic preservation planning;
- To enforce state historic preservation laws. The Historic Preservation Commission shall support the enforcement of the Alaska Historic Preservation Act;
- To review, and where it is deemed appropriate, recommend nominations to or deletions from the Unalaska Register of Historic Places to the Unalaska City Council twice yearly.

§ 2.60.090 of the Unalaska Code of Ordinances requires each board and committee to submit an annual report which summarizes the activities which have occurred during the previous year. The Annual Report is a mechanism for monitoring those activities and for presenting to the City Council the goals and objectives for historic preservation in the coming year.

SUMMARY OF HISTORIC PRESERVATION COMMISSION ACTIONS FOR 2023

I. General Statistics (January 1, 2023 – December 31, 2023)

The Historic Preservation Commission, with support from the Planning Department, took the following actions.

HPC Summary of Activities	2021	2022	2023
Ordinance Changes	-	-	-
General Resolutions	1/1	1/1	1/1
Survey/Inventory of Historic Properties	-	-	-
Preservation Planning Activities	-	-	-
National Register Participation	-	-	-
Historic Property Protection	-	-	-
Public Education Projects	-	-	-
Historic Preservation Grants	-	-	-
TOTAL MEETINGS	4	3	5

II. Historic Preservation Commission Recommendations to Council

There were no recommendations to Council.

III. Historic Preservation Commission Actions

The Historic Preservation Commission approved the 2022 annual report and had several discussion items.	
<i>February 16, 2023: Approved of Annual Report and filed with City Council.</i>	The Historic Preservation Commission approved Resolution 2023-01 , a resolution approving the HPC 2022 Annual Report.
<i>August 17, 2023: Discussion item</i>	Review of letter from Forrest Kranda, Archeologist with Army Corps of Engineers, regarding proposed environmental investigations at Little South America on Amaknak Island and Summer Bay-Humpy Cove on Unalaska Island. The purpose of this letter was to notify the Commission of a Federal undertaking and to seek your concurrence on an assessment of effect. – Commission concurred with assessment of the Corps.
<i>October 19, 2023: Discussion Item</i>	Review of letter from Benjamin M. Storey, Regional Environmental Manager/PQI Archaeology, at the Alaska State Department Of Transportation & Public Facilities, Southcoast Region, regarding finding of effect for the demolition of the privately owned Naval Operating Transport Service Warehouse (NOTSW) building located within the Unalaska Airport in Unalaska. – Commission concurred with findings of the archeologists.
<i>November 16, 2023: Discussion Item</i>	Discussion on improvement and replacement of interpretive signage in town to perhaps combine resources with the Museum of the Aleutians “Walking the Chain” signage campaign.
<i>December 21, 2023: Discussion Item</i>	City of Unalaska Brownfields Program Update

IV. Historic Preservation Goals for 2024

- Improve public engagement with historic preservation, including website improvements, celebrating Preservation Month in May, and improving kiosks/signage/wayfinding.
- Suggest list of sites to City Council for the Unalaska Register of Historic Places and explore ideas for a Historic Preservation Ordinance Amendment.
- Continue working toward addressing the action items identified in the 2011 Comprehensive Plan as they relate to Historic Preservation.
- Consider creation of Historic Preservation regulations and protections.
- Continue to monitor the Unalaska Brownfields Grant project
- Work with the Tri-Lateral Group to assist and advise on repatriation efforts

**CITY OF UNALASKA
PLANNING COMMISSION & PLATTING BOARD
2023 ANNUAL REPORT**



This annual report is designed to serve multiple functions: to summarize the planning activities of the Unalaska Planning Commission; to serve as a resource document; to project future planning needs and activities; and to meet the requirements of § 2.60.090, Unalaska Code of Ordinances.

The Planning Commission, Platting Board, Department of Planning, and Unalaska City Council refer to the adopted Comprehensive Plan, Platting and Subdivision Regulations, Zoning Code of Ordinances, Zoning Map, and other applicable codes for all decisions rendered.

The following residents of Unalaska served on the City of Unalaska's Planning Commission and Platting Board in 2023:

Chair, Travis Swangel
Vice Chair, Caroline Williams
Ian Bagley
Virginia Hatfield
Rainier Marquez

The Planning Commission and Platting Board are supported by the City of Unalaska's Planning Department, which consists of:

William Homka, AICP, City Manager,
Acting Planning Director (November, 2022 to September 2023)
Cameron Dean, Planning Director (Started September, 2023)
Thomas Roufos, Associate Planner (Since April 2016)
Teri Salazar-Lascano, Administrative Assistant (Moved to Public Works January, 2023)
Elaine Blankenship, Administrative Assistant (Hired October, 2023)

PLANNING COMMISSION AND PLATTING BOARD
RESOLUTION 2024-01

In accordance with § 2.60.090 of the Unalaska Code of Ordinances, the City of Unalaska's Planning Commission officially adopts the following annual report, filing the same with the Unalaska City Council.

CITY OF UNALASKA
PLANNING COMMISSION

BY: _____


Travis Swangel
Commission Chair


Cameron Dean
Secretary of the Commission

DATE OF ADOPTION: 1/18/24

INTRODUCTION

Alaska State law gives incorporated municipalities the authority and responsibility for planning, platting, and land use regulation. In addition to providing for the orderly and efficient use of land and other resources, planning can establish ground rules for development for the whole community and provide the means by which residents participate in important decisions about their community's future. With effective planning, a community can define its character and realize tangible benefits.

The Unalaska Code of Ordinances establishes the Planning Commission and Platting Board to help assure orderly growth of Unalaska and offers additional guidance regarding their functions, power and duties, which include:

- To recognize and utilize such basic information necessary to understand past trends, present conditions, and forces affecting community growth and development;
- To prepare and keep current a Comprehensive Plan for meeting present requirements and future needs for community growth and development as may be foreseen by the Commission/Board;
- To establish principles and policies for guiding actions affecting growth in the city;
- To prepare and to recommend to the City Council ordinances, regulations, or other proposals promoting orderly development indicated as desirable by the Comprehensive Plan;
- To exercise jurisdiction over platting as provided in Chapter 8.08, and to act upon requests for variances, conditional uses, and zone amendments as provided in Chapter 8.12;
- To keep the City Council and general public informed and advised as to matters before the Commission/Board;
- To conduct such meetings, as required, to gather information necessary for the drafting, establishment, and maintenance of the Comprehensive Plan and the ordinances and regulations relating to it; and
- To perform other duties lawfully assigned to the Commission/Board or which have a bearing on the preparation or accomplishment of the Comprehensive Plan.

§ 2.60.090 of the Unalaska Code of Ordinances requires each board and committee to submit an annual report which summarizes the activities which have occurred during the previous year. The Annual Report is a mechanism for monitoring those activities and for presenting to the City Council the goals and objectives for Planning in the coming year.

SUMMARY OF PLANNING ACTIONS FOR 2023

I. General Statistics (January 1, 2023 – December 31, 2023)

Application Type	Considered or Reviewed/ Granted, Approved or Formally Recommended		
	2021	2022	2023
Variance	2/0	1/1	-
Conditional Use	4/4	3/3	6/5
Zone Amendment	-	4/3	-
Property Acquisitions	-	-	-
Code Revisions	-	-	-
Plats	2/2	1/1	5/4
Planning Documents	-	1/1	2/2
TOTAL MEETINGS	7	6	10

II. Planning Commission Recommendations to Council

The Planning Commission recommended zero Zoning Amendments, zero Code Revisions, one Right Of Way Vacation, and one Planning Document to the City Council for action in 2023.	
<i>February 16, 2023: Approved Resolution 2023-01 Annual Report (Planning Document) and filed with City Council</i>	The Planning Commission through Resolution 2023-01 approved the <i>Planning Commission and Platting Board 2022 Annual Report</i> , which reviewed the year in Planning in Unalaska.
<i>August 18, 2023: Approved a right of way vacation recommendation</i>	Resolution 2023-06 approved a recommendation to City Council to vacate the Lavelle Court Right of Way from Plat 92-12, Reservoir Hill Subdivision and Plat 97-14, Unalaska Pedestrian Pathway

III. Planning Commission Actions and Activities

The Planning Commission & Platting Board approved zero Variances and four Conditional Use Permits in 2023.	
<i>April 27, 2023: Special Meeting Referred Resolution 2023-03, a conditional use permit back to the applicant for re-application</i>	Resolution 2023-03 for a 40-foot cell tower on a lot zoned High Density Residential on a leased portion of Tract A, Block 6, Ilulaq Subdivision, Plat 89-19 was referred back to the applicant to seek a re-positioning on the same lot so as to limit the impact on neighboring parcels.
<i>May 18, 2023: No Quorum for Resolution 2023-03, a conditional use permit</i>	Resolution 2023-03 postponed for a 40-foot cell tower on a lot zoned High Density Residential on a leased portion of Tract A, Block 6, Ilulaq Subdivision, Plat 89-19 was approved at a secondary location on the same lot. 2 commissioners recused themselves from the item, citing conflicts.

June 1, 2023: Special Meeting approved Resolution 2023-03, an amended conditional use permit

Resolution 2023-03 Approved a 40-foot cell tower on a lot zoned High Density Residential on a leased portion of Tract A, Block 6, Ilulag Subdivision, Plat 89-19 was amended and approved at a secondary location on the same lot. One commissioner reviewed their conflict with the city attorney and decided it was non-existent, the other commissioner chose to abstain from voting citing a conflict despite the city attorney ruling otherwise.

July 20, 2023: Approved Resolution 2023-05, a conditional use permit

Resolution 2023-05 approved a conditional use permit for low earth orbit satellite internet domes (Starlink style dishes in enclosures) on a parcel zoned Single Family/Duplex on Lear Road at the previous site of the OptimERA dish.

October 19, 2023: Approved Resolution 2023-07, a conditional use permit

Resolution 2023-07 approved a for a 40-foot cell tower on a lot zoned High Density Residential on a leased portion of Tract A, Block 6, Ilulag Subdivision, Plat 89-19. This was for the initial site that had been requested in April of 2023.

December 21, 2023: Approved Resolution 2023-10, an after-the-fact conditional use permit

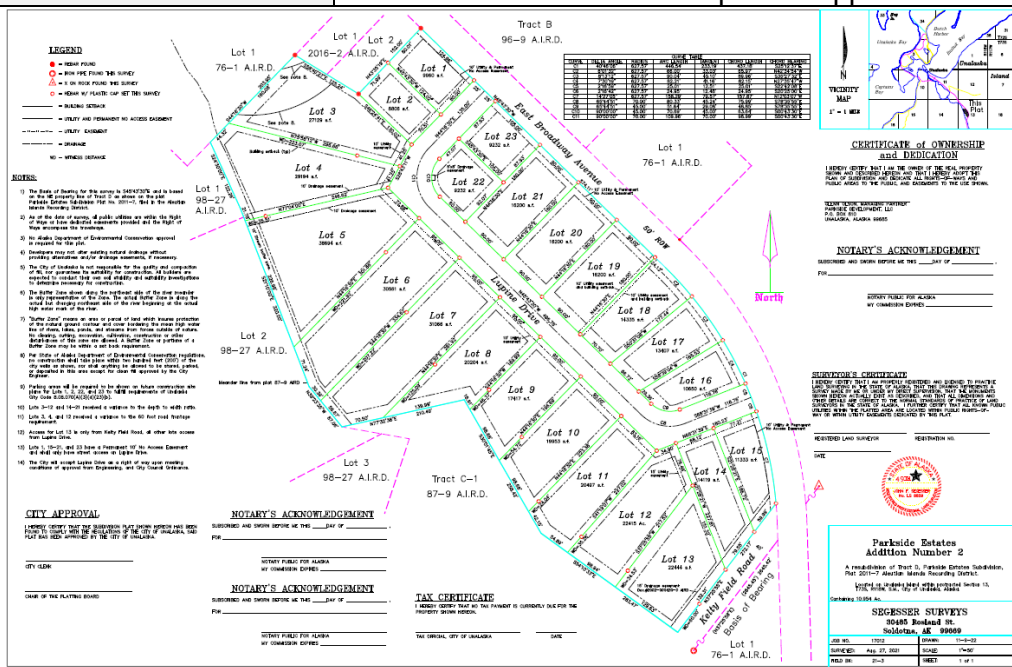
Resolution 2023-10: Approved a retroactive application for an existing lumber and building material sales with storage yard on Lot 6b, Margaret Bay Subdivision, Plat 2010-16 at Alaska Ship Supply.

IV. Platting Board Actions

The Planning Commission & Platting Board referred one (1) final plat, and approved two (2) preliminary and two (2) final plats in 2023.

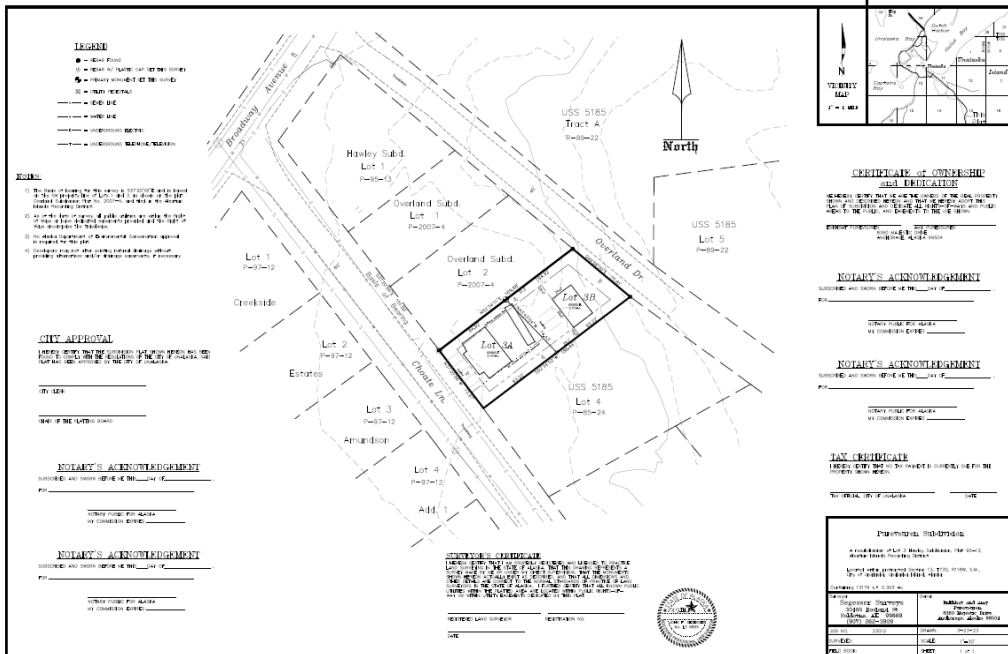
February 16, 2023: Postponed Resolution 2023-02, a final plat application

Resolution 2023-02 Postponed final plat of Parkside Estates Part 2 – This draft of the plat had deficiencies compared to the conditions of the approved preliminary plat. Applicant directed to return with amended final plat for approval.



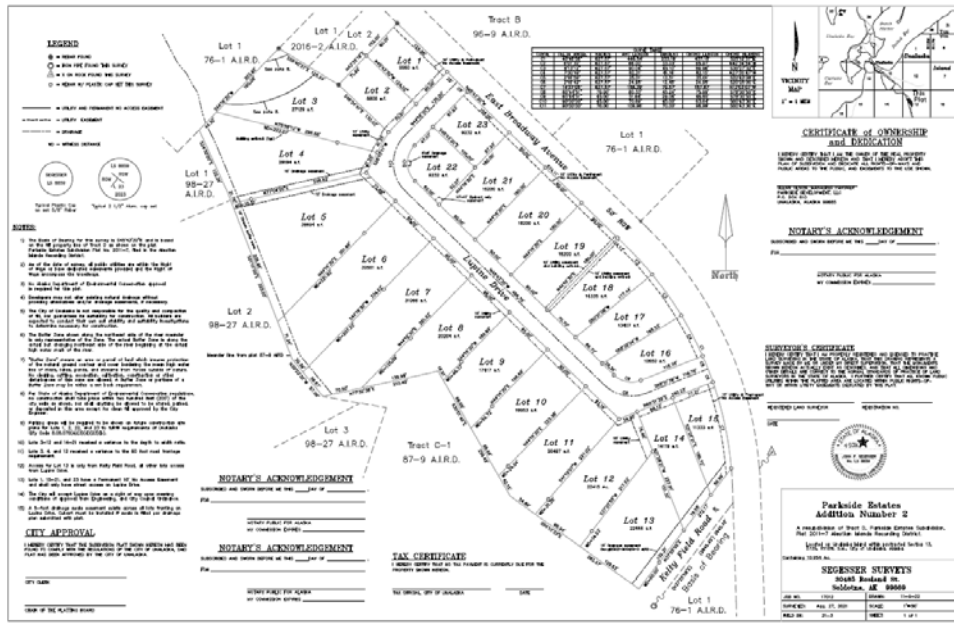
May 18, 2023: Approved Resolution 2023-04, a Preliminary Plat application

Resolution 2023-04 approved preliminary plat of Purevsuren Subdivision for final.



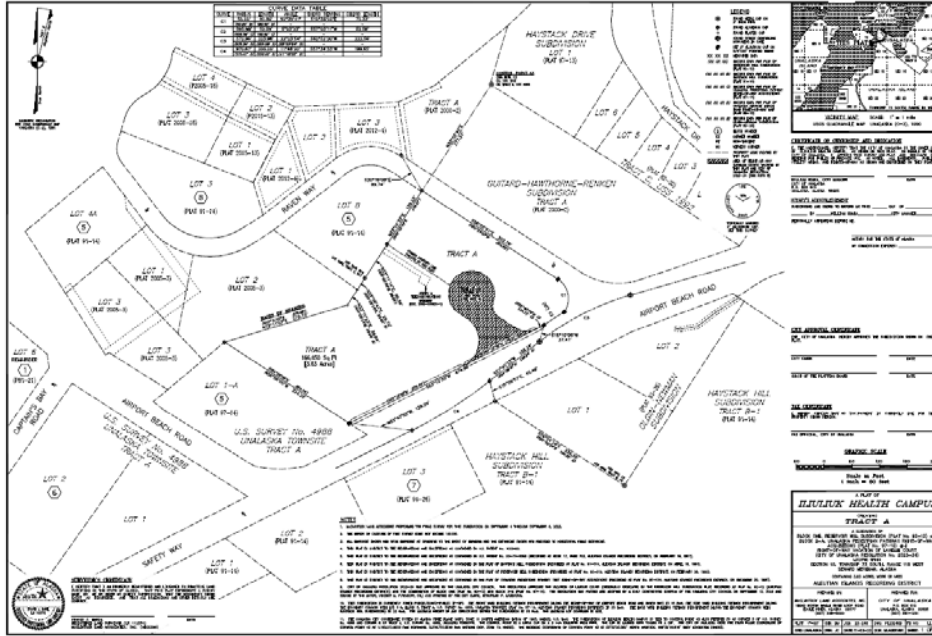
June 15, 2023: Approved Resolution 2023-02, a Final Plat application

Resolution 2023-02 Approved final plat of Parkside Estates Part 2 now that the developer met all final requirements from preliminary approval.



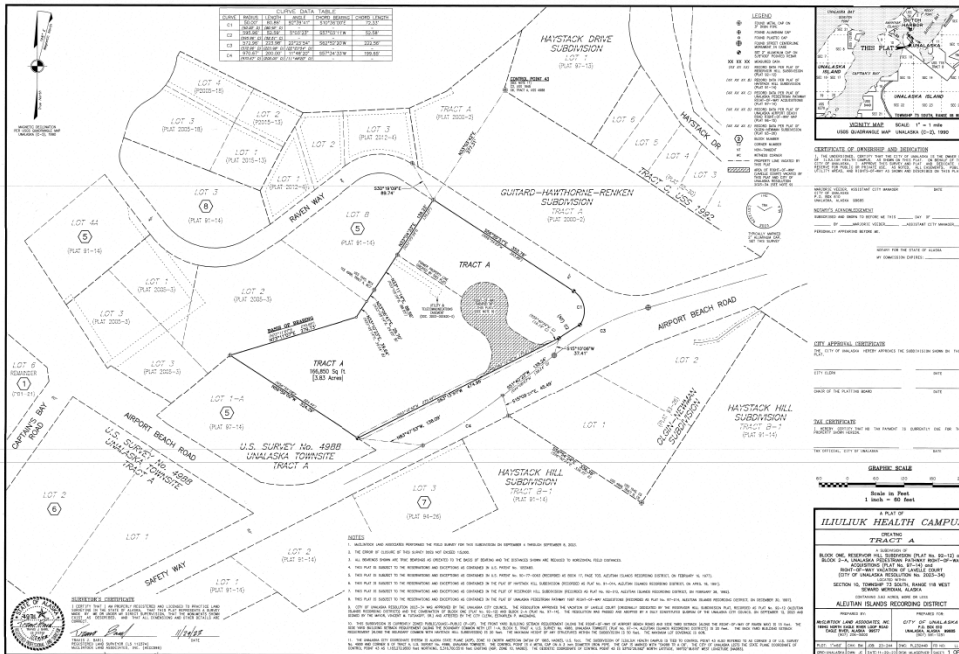
November 16, 2023: Approved Resolution 2023-08, a preliminary plat

Resolution 2023-08 Approved the preliminary plat of Iliuliuk Health Campus, Combining Block 1, Reservoir Hill Subdivision Plat 92-12 And Block 2-A, Unalaska Pedestrian Pathway Right Of Way Acquisitions Plat 97-14. No conditions.



December 21, 2023: Approved Resolution 2023-09, a final plat

Resolution 2023-09 Approved the final plat of Iliuliuk Health Campus, Combining Block 1, Reservoir Hill Subdivision Plat 92-12 And Block 2-A, Unalaska Pedestrian Pathway Right Of Way Acquisitions Plat 97-14.



V. Summary of Appeals Cases and Actions:

The Planning Commission & Platting Board did not hear any appeals of administrative decisions. The Planning Commission referred one appeal of Planning Commission Decision to the City Council.	
<i>August 17, 2023: Worksession regarding Ounalashka Corporation letter addressing Resolution 2023-03</i>	Letter from Ounalashka corporation dated July 25th regarding Planning Commission decision on Resolution 2023-03 , a resolution approving a conditional use permit for a cellular tower on a lot zoned high density residential on a leased portion of Tract A, Block 6, Ilulaaq Subdivision, Plat 89-19, AIRD – Discussion determined a re-review of the initial site was warranted based on the desires of the property owner.
<i>November 14, 2023: The City Council upheld Resolution 2023-07</i>	The City Council heard an appeal of neighboring property owners against the 40-foot cell tower. There City Council found no facts that would overturn the Planning Commission decision on Resolution 2023-07 .
<i>November 28, 2023: The City Council amended approval of Resolution 2023-07 to specify a new site</i>	While writing the City Council's findings of fact, the City Attorney discovered that the site of the cell tower did not allow enough potential fall distance for the tower into a Biorka Drive. The City Council amended their decision to a secondary site on the same lot preserving the fall radius outside of the street.

VI. Department of Planning Activities:

The Department of Planning's primary responsibility is coordinating community planning and development, land use, and capital growth within the City of Unalaska. Services include assisting the public, Mayor and City Council, Planning Commission, and other City departments by providing information, guidance, and direction on land use issues and regulations. Under the guidance of the department, the City's annual five-year capital improvement, replacement, and maintenance program is developed. The department also initiates and directs studies and reports relating to long and short-term planning needed for both community growth and development, in accordance with the Comprehensive Plan.

In addition to the involvement in the items described in previous sections, Departmental activities and accomplishments for 2023 include the following:

- **Negotiated Agreements:** Coordinated the negotiation and approval of:
 1. Tideland leases and easements which will allow for businesses to expand operations in our community and help to diversify Unalaska's economic base, as well as provide access for public works projects.
 2. An antenna lease for a GPS ground station to maintain accurate GPS and GIS data has been secured for another 25 years.
- **Community Support Grants:** The Planning Department administers the community support grant program. The Planning Department received 8 Community Grant Applications from different non-profit organizations around the City of Unalaska. These applications were reviewed, critiqued, and sent back for corrections before discussing financial matters to the City Council. Once applications had come back through, evaluations were conducted. Planning designed a means for the City Council to establish the sums for the Community Support Grants.
- **Code Enforcement:** A long-running enforcement issue at 176-180 Chernofski involving Planning, Public Works, Fire, Public Safety and the City Attorney has been settled in favor of the City. Some

forward movement on abatement has been made, however the fines have not been collected and the issue continues to be assessed by the courts.

- **Grants:** The Planning Department was successful in acquiring a highly competitive FY22 EPA Brownfields Assessment Grant. The grant cycle continues with Phase One investigations ongoing in Pyramid Valley and Strawberry Hill. Plans for bilateral investigation of Unalaska and Iluluaq Lakes with the Qawalangin Tribe are being finalized.
- **Other:**
 1. Staff participate in the Alaska chapter of the American Planning Association (APA), this year's conference hosted the Western Planners chapter of the APA.
 2. Staff served on the IFHS Clinic board, Alaska State Firefighters Association Unalaska Chapter board, and PCR Advisory Committee, spun records as a DJ on KUCB radio, as well as volunteer with the Fire Department.
 3. The department assisted with the planning and City presentation for the legislative visit and tour.
- **CMMP Process:**
 1. The newly implemented 10-year plan successfully spread projects across more years, allowing for better planning of needs.
 2. The FY25 CMMP process is ongoing.

VII. Departmental goals for 2024 include the following:

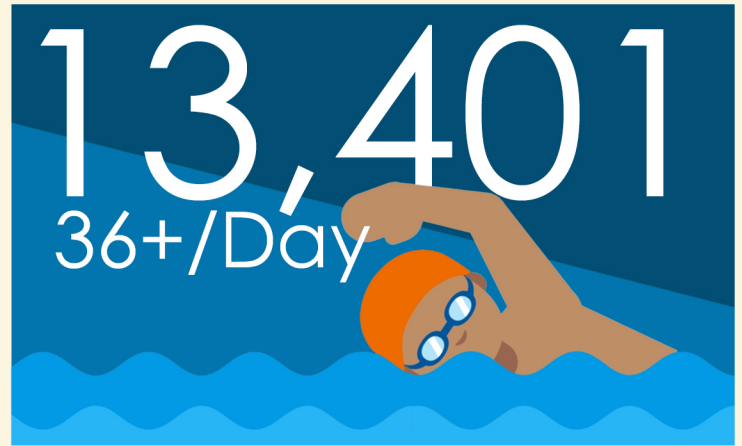
- Improve accuracy and completeness of staff reports and packets.
- Expand online GIS access, improve mapping on mobile devices and train staff in new programs.
- Update the Comprehensive Plan as the current plan has reached the end of its lifespan and a new plan is required in order to provide guidance for community facility and infrastructure investments.
- Work with Engineering / Permitting to improve the permitting and review process.
- Staff continues to work toward improved accuracy and availability of GIS resources internally and to the public.

AQUATIC CENTER & COMMUNITY CENTER 2023 YEAR IN REVIEW



Community Center
Active Use Visits

*These numbers reflect pass visit use and not facility use for drop in programming or general community use.



Aquatic Center
Active Use Visits



Program Sessions
Delivered

*Programs delivered is based off of the number of individual sessions of all programs delivered through the Aquatic & Community Centers. Program registrations do not include participants in daily drop in programming.



Individual Program
Registrations



30 Corporate Pass
Holders

10,298 Corporate
Pass Visits

28+ Visits per Day



**City of Unalaska Parks, Culture and Recreation
Committee Annual Report to Council
January 01 – December 31, 2023**

The City of Unalaska Parks, Culture and Recreation (PCR) Committee Annual Report to Council highlights the Committee's accomplishments during the 2023 calendar year.

PCR ADVISORY COMMITTEE

- Thomas Roufos, Chair
- Greg Peters
- Ben Knowles
- Jill Spetz
- Noel Rea
- Ryan Humphrey

Dear Council Members,

I am pleased to present the annual report of the Parks, Culture and Recreation (PCR) Committee, highlighting our endeavors and accomplishments throughout the 2023 calendar year.

At the outset, I extend heartfelt gratitude to our dedicated PCR Staff for their unwavering commitment and tireless efforts throughout this year.

The Committee's fundamental role revolves around offering valuable insights and feedback on programming, events, and operational facets within PCR. Serving as an additional lens for comprehensive oversight, we've actively engaged in shaping the Park and Recreation Master Planning Process, a crucial roadmap guiding park improvements over the next two decades.

Moreover, our deliberations have encompassed exploring opportunities to relocate the skateboard facility and erect a pump track, aiming to enhance community facilities. We've diligently reviewed day-

to-day PCR programming alongside providing insights into the CMMP Plan and forthcoming projects, cognizant that the Master Planning Process will set the tone and vision for the future.

The Aquatic Center has ardently pursued its ongoing mission of providing swimming lessons for individuals of all ages, from infants to adults. Beyond lessons, the Center hosted 24 community events, fostering engagement and inclusivity. Notably, our collaboration with the high school-initiated lifeguard training and offered CPR and First Aid Training to community members, earning accolades for exemplary rescues in the yearly audit. This year the Aquatics Center was open 37.1 more hours per week to accommodate more members of the community with varied work schedules.

This year in June the City had the opportunity to host the Japanese Navy. PCR played a critical role in welcoming the Japanese Navy, along with the United States contingent and Coast Guard. From having special times for athletic play in the PCR gym, to having a community music event and drum exhibition at the Recreation Center. Albert made beautiful pottery that were used as keepsakes for the two Navy's. PCR also was involved in the flag raising ceremony at Memorial Park.

In the realm of recreational programming, like events including the Heart of the Aleutians Festival and Trunk or Treat, we've consistently delivered enriching activities. Our commitment to youth sports remained steadfast, even with lower school district enrollment, underscoring our dedication to providing quality leagues and essential after-school care.

Furthermore, our programming division's efforts were amplified through publications like the activity guide and a forthcoming expansion into digital platforms with a new website and smartphone app, poised to augment community engagement significantly.

Embracing technological advancements, we live-streamed basketball games via Facebook, fostering widespread participation and engagement, even beyond our local community. Our aspiration remains to restore attendance levels to that of the pre-pandemic, offering an array of innovative programming to achieve this goal.

The Business Plan Project emerged as a valuable tool, simplifying departmental insights for stakeholders, providing a comprehensive view of divisional goals and progress.

In conclusion, we endorse our staff's resourcefulness in service provision and their steadfast adherence to evolving safety protocols.

Respectfully submitted,



Thomas Rouføs

Chairman, PCR Advisory Board Chairman PCR Advisory Board

PCR Advisory Committee 2023

Reviewed	Action
Activity Guides - Winter/Spring, Summer, & Fall	New Community Center Cameras were installed Live stream Basket Ball all games
Budget for Fiscal Year 2023	Kelty field project fixed the underground drains and planted grass
Business Plans (Recreation; Library; Aquatics; Parks; and Operations)	Completed the weight room reflooring
CMMP Projects	Staff implemented Activity Guide App
Implemented Ideas	Feedback & Suggestions for Improvements to Existing Programs
New or expanded activities	Provide additional archery classes and tournaments, Pottery classes, and roller-skating programming.
More yoga classes	
	Suggestions
	Move forward in creating a social district for Kelty Field

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2024-03

CREATING BUDGET AMENDMENT #4 TO THE FISCAL YEAR 2024 BUDGET, APPROPRIATING \$220,175 FROM THE GENERAL FUND TO CREATE THE HIGH SCHOOL BOILER REPLACEMENT 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 FY24 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. 4 to Ordinance 2023-03

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. General Fund			
Sources:			
Appropriated Fund Balance	\$ 346,674	\$ 220,175	\$ 566,849
Uses:			
Transfer to Govt Capital Projects	\$ 1,597,780	\$ 220,175	\$ 1,817,955
II. CAPITAL BUDGETS			
A. Governmental Project Budgets			
High School Boiler Replacement Project			
Sources:			
Transfer from General Fund	\$ -	\$ 220,175	\$ 220,175
Uses:			
High School Boiler Replacement Project	\$ -	\$ 220,175	\$ 220,175

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

Attest:

Estkarlen P. Magdaong
City Clerk

City of Unalaska
Summary of Budget Amendment and Schedule of Proposed Accounts
FY24 Budget Amendment 4

- 1) General Fund - Operating Budget
 - Add \$220,175 to Appropriated Fund Balance
 - Add \$220,175 to Transfers to Govt Capital Projects for High School Boiler Replacement Project

- 2) Governmental Fund Capital Projects Budgets
 - Add \$225,175 to Transfers from General Fund
 - Add \$220,175 to High School Boiler Replacement Project

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
1) <u>General Fund - Operating Budget</u>						
Sources:						
Appropriated Fund Balance	01010049	49900		\$ 346,674.00	\$ 220,175.00	\$ 566,849.00
Uses:						
Transfer to Govt Capital Projects	01029854	59920		\$ 1,597,780.00	\$ 220,175.00	\$ 1,817,955.00
2) <u>Govt Fund - Capital Project Budgets</u>						
High School Boiler Replacement Project						
Sources:						
Transfer from General Fund	31019848	49100	SS24A	\$ -	\$ 220,175.00	\$ 220,175.00
Uses:						
Repair & Maintenance	31023053	54300	SS24A	\$ -	\$ 179,175.00	\$ 179,175.00
Contingency	31023053	55912	SS24A	\$ -	\$ 41,000.00	\$ 41,000.00

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Scott Brown, Director of Public Works
Through: William Homka, City Manager
Date: January 23, 2024
Re: Highschool Boiler Replacement Project

SUMMARY:

This is a formal request for funds in the amount of \$220,175 for the critical replacement of three (3) boilers at our Unalaska City High School, Aquatic Center, and pool facilities.

PREVIOUS COUNCIL ACTION:

There have been no previous Council Actions.

BACKGROUND:

During the annual boiler inspection in April of 2023, it was determined that one of the boilers is unfit for service due to irreparable cracks. Consequently, our operational capacity has been reduced to two boilers, leaving the high school staff and students vulnerable to potential disruptions.

Presently, there are three boilers serving the heating requirements of the Unalaska City High School and Aquatic Center. Currently, two of the boilers are meeting the heat demand, with the third serving as a backup. However, in the event of a failure in one of the operational boilers, we risk being left with only a single operational boiler. While this may be sufficient for maintaining the school's heat requirements, it poses a significant challenge for adequately heating the Aquatic Center. In such a scenario, we would be compelled to suspend operations at the Aquatic Center until the boilers are back online.

Moreover, if the remaining operational boiler is unable to meet the school's heating requirements, we might be forced to suspend school operations until the heating system is restored.

DISCUSSION:

The urgency of this request stems from the need to undertake this project during the upcoming summer season when school is not in session. Due to time constraints imposed by the project timeline we are not pursuing a conventional CMMP process.

The decision to replace all three boilers simultaneously, at an estimated cost of \$220,175 is driven by the fact that the current boilers were installed in the 90s and are now approximately 34 years old. Despite undergoing overhauls during their operational lifespan, the age and condition of these boilers necessitate a comprehensive replacement strategy. Undertaking this approach will not

only streamline the mobilization process but also guarantee the uninterrupted provision of heat to both the school and the Aquatic Center during the school season.

City Code Title 22.98.090, the relationship between the School Board and the City Council mandates that the City Council, through the City Manager, is responsible for major rehabilitation, construction, and significant repairs of school buildings.

Given the urgency of this situation, we seek your support in deviating from the normal CMMP process to ensure the timely completion of this crucial project before the commencement of the next school year. We kindly request your support in securing the necessary funding for this critical infrastructure upgrade to the high school. This will not only ensure the safety and comfort of our students and staff but also contribute to the seamless operation of our educational and recreational facilities

ALTERNATIVES:

1. Approve ordinance.
2. Phase boiler replacement over mutable years.
3. Do not approve.

FINANCIAL IMPLICATIONS:

The amount of \$220,175 will come from the General Fund

LEGAL: N/A

STAFF RECOMMENDATION:

Staff recommends approval of the budget amendment in the amount of \$220,175 to replace all three (3) boilers simultaneously at the City of Unalaska High School and Aquatic Center.

PROPOSED MOTION:

I move to introduce Ordinance 2024-03 Budget Amendment #4 and schedule it for Public Hearing and Second Reading on February 13, 2024.

CITY MANAGER COMMENTS: I support staff's recommendation.

ATTACHMENTS:

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, City Manager
Date: February 13, 2024
Re: Identifying the City of Unalaska's State Priorities

SUMMARY: Every year the City Council identifies, via resolution, the capital project priorities to place in the State Legislative queue which is called CAPSIS (Capital Project Submission and Information System). My approach is to keep it simple and very straight forward. Legislators don't have the time to read a long resolution with information that they don't much care about. So I like to get to the point and provide the explanation of projects in CAPSIS and of course in the briefing memo which will be distributed to our delegation in Juneau prior to our visits there, which will happen again in March this year. You will recognize many of the projects that are contained in the resolution. You may wish to add or subtract projects as this is within your authority.

PREVIOUS COUNCIL ACTION: Council last adopted a State Priorities resolution on January 27, 2023, identifying priorities at the time (Resolution 2023-04).

BACKGROUND: The outside influences on this resolution include what happens in Washington because if you receive funding from the Federal Government it can be leveraged to obtain funding from the State Legislature. And the legislature likes to see community participation as well. The City of Unalaska is fortunate in that it has money to participate. There are many communities in the state who cannot meet the match requirements of many grant programs. Also, just because we ask for money from State and Federal legislative and congressional processes does not mean we are not also looking for grants.

DISCUSSION: The following capital projects were included in last year's priorities; I am assuming you have seen these projects before. I can't stress enough how important it is to simplify the resolution to be more to the point. The more succinct the better.

Last year's list of projects:

- | | |
|--|-----------|
| 1. Captains Bay Road and Utility Improvements Project | \$7.0 M |
| 2. Robert Storrs Boat Harbor Improvements | \$3.5 M |
| 3. Electrical Interconnection Project (Federal Allocation \$2.5 M) | \$3.2 M |
| 4. Unalaska Marine Center & Light Cargo Dock Dredging | \$2.7 M |
| 5. Airport Terminal Building for Planning & Engineering | \$500,000 |

This year's recommended list of projects:

- | | |
|---|--------------|
| 1. Captains Bay Road and Utility Improvements Project | \$13,155,000 |
| 2. Robert Storrs Boat Harbor Improvements | \$3,500,000 |
| 3. Unalaska Marine Center & Light Cargo Dock Dredging | \$2,700,000 |

4. Airport Terminal Building Planning and Engineering

\$500,000

Captains Bay Road, Phase 1, \$13,155,000: This amount is included in the Alaska State Transportation Improvement Plan (STIP ID. 34349) as a discretionary line item. It has not been approved for funding yet. It will pay for 1.4 miles of paving and improvements between Airport Beach Road and the south end of the Westward Seafoods Complex. This project has been in planning for many years.

Robert Storrs Small Boat Harbor Improvements, \$3,500,000: The project includes replacing A and B floats as well as some upland work. We have completed the process to obtain title to the needed state tidelands for the project and we have completed the basic design. The C float was completed some years ago with great success. We intend to bid this project out as a design build project.

UMC and LCD Dredging, \$2,700,000: This project needs to be done in conjunction with the Harbor Entrance Dredging which was awarded \$25.6 million from the Federal Government. We hope to take advantage of the dredging equipment being in town for the larger project to save on mob and de-mob costs inherent in all of our projects.

Airport Terminal Building Planning and Engineering, \$500,000: Design funds get the project started which would include a public process to review designs and estimates before lobbying for the full amount for construction. I envision remodeling the current facility and adding on to it. Total costs are unknown until you have a completed design. The process could take 5 to 10 years.

ALTERNATIVES: Council may choose to add or subtract projects. Direction is also requested as to the identification of Council's top funding priority.

FINANCIAL IMPLICATIONS: There are critical issues happening in the commercial fishing industry that will ultimately impact revenue streams for the City of Unalaska. There are also projects that the city needs help with funding.

LEGAL: No legal review required.

STAFF RECOMMENDATION: Staff recommends approval of this resolution, along with direction on Council's top funding priority.

PROPOSED MOTION: NA

CITY MANAGER COMMENTS: State funding is always uncertain but we've made some progress. The Captains Bay Road is listed on the STIP but hasn't received an award yet. Dianne Blumer, our state lobbyist, will be available at the council meeting to answer any questions.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Patricia Soule, Finance Director
Through: William Homka, City Manager
Date: February 13, 2024
Re: FY25 Revenue Projections

SUMMARY: The focus tonight is FY25 Revenue Projections for the General Fund. For fiscal year 2025, Staff is proposing a total General Fund revenue budget of \$35,500,000 for your consideration. This is a .01% increase or \$331,041 from the fiscal year 2024 Budget. This is the first step in the budget process and we are open to suggestions from Council as we move forward. The budget amounts before you are not fixed and may require adjustment based on feedback and additional information received.

PREVIOUS COUNCIL ACTION: Each year the revenues are adjusted. This is the first time that Council has seen this estimate for the fiscal year 2025 budget process.

BACKGROUND: There are many external factors affecting City revenues; however, the primary driver is the fishing industry as it impacts so much of the City's tax revenue. Fish tax revenues are based on both historical information and fishing season 2023-24 quotas allocated for the sustainable fishery resources of the Bering Sea and Aleutian Islands that are landed in Unalaska, and the prices paid for that product to the harvesters by the processors. Due to those factors, we consulted with Frank Kelty on those revenue and he can answer any questions you may have.

DISCUSSION: Historically, the City has budgeted conservatively with respect to revenues, especially the major revenue sources. Over the last 10 fiscal years (FY 2013 to FY 2023), the City has exceeded their Major revenue budget seven times with the only exceptions in FY 2015, FY 2016 and FY 2018. Overall, during the last 10 fiscal years, revenue has exceeded budget by an average of \$1,977,376 or 6.75% annually.

A significant portion of tonight's discussion will center on the following major General Fund revenue sources: **Real and Personal Property Taxes, Sales Tax, Raw Seafood Tax, Alaska Fisheries Business Tax, and Alaska Resource Landing Tax.**

The revenue source listed as "Everything Else" will not be discussed as part of this presentation. For reference

- Payment in Lieu of Taxes (PILT)
- State Corrections Contract
- PERS Non-employer Contributions
- State Revenue Sharing

- Tideland Lease Revenue

Two new funds were created in FY 2022, E911 Enhancement and Tobacco Excise Tax. Activity related to both funds will be tracked separately from the General Fund; therefore, revenue discussed in this memo does not include an estimate for either item.

It is estimated that the major revenue sources (Real and Personal Property Taxes, Sales Tax, Raw Seafood Tax, Alaska Fisheries Business Tax, and Alaska Resource Landing Tax) analyzed below will comprise approximately 90% of the City's FY 2025 General Fund revenue. The following table summarizes the FY 2025 General Revenue projections followed by a more detailed explanation for each major revenue source.

	FY 2024 Budget	Actual (1/31/2024)	2025 Proposed
Real Property Tax	6,029,591	5,986,033	6,100,000
Personal Property Tax	2,780,218	2,774,756	3,000,000
Sales Tax	9,781,800	7,674,773	9,500,000
Raw Seafood Tax	4,000,000	2,930,850	4,000,000
State Fisheries Business Tax	3,470,000	3,880,930	4,000,000
State Fisheries Resource Landing Tax	5,600,000	6,780,164	5,900,000
Investment Income	1,000,000	5,486,343	1,000,000
Everything Else	2,507,350	1,994,590	2,000,000
Revenues	35,168,959	37,508,439	35,500,000

Real Property Tax - \$6,100,000

The amount proposed represents a \$70,409 or 11.7% increase from the FY 2024 budget amount. As of January 31, 2024, the City has recorded \$5,986,033, or 99% of FY 2024 budget (\$6,029,591). MIL rate is 10.5 last adjusted from 9 in 2024.

Personal Property Tax - \$3,000,000

The amount proposed represents a \$219,782 increase from the FY 2024 budget amount due to insufficient information. Personal property tax is calculated based on self-reported information. Once that information has been received, value and estimated tax will be determined. As of January 31, 2024, the City has recorded \$2,774,756, or 99.8% of FY 2024 budget (\$2,780,218). Mill Rate is 10.5 in 2024 was 9 in 2023.

Sales Tax - \$9,500,000

The amount proposed represents a -\$281,800 or -.6% decrease from the FY 2024 budget amount. As of January 31, 2024, the City has recorded \$7,674,773 or 80.1% of FY 2024 budget (\$9,781,800).

Raw Seafood Tax - \$4,000,000

The amount proposed represents a \$0 or no adjustment to 2024 projection. As of January 31, 2024, the City has recorded \$2,930,850, or 73.3% of FY 2024 budget (\$4,000,000). The fiscal year 2025 estimate is based on two components:

- 2023-24 fishing season allocations published in December by the North Pacific Fishery Management Council (NPFMC), as they relate to Unalaska, Alaska
- Estimated prices based on recent information reported to the City of Unalaska by the processors.

The estimate of the raw seafood tax is most likely the most challenging fish tax to forecast as it requires applying data that is specific to fishing season 2023 to the 2024 fishing season. Since October 2023, staff has been in regular communication with Frank Kelty, fisheries consultant, to determine the impact of reductions/cancellations on local fisheries. It is expected that given the uncertainty going forward, we will continue to meet regularly and adjust tax projections as necessary.

Based on the information obtained, staff determined that a conservative approach was necessary.

Alaska Fisheries Business Tax – \$4,000,000

The amount proposed represents a \$530,000, or 15.3% increase from the FY 2024 budget amount (\$3,470,000). As of January 31, 2024, the City has recorded \$3,880,930, or 118% of FY 2024 budget (\$3,470,000).

Given that this tax amount is paid to the City based 100% on historical data, staff followed that same approach to estimate an amount for the FY 2025 budget. The FY 2025 budgeted amount was calculated using calendar year 2023 shore value information reported to the City monthly by local processors. The FY 2025 estimate includes shore value to the City through November 30, 2023 as it is not expected that December 2023 will provide much additional value.

Frank Kelty can elaborate on how we developed the projection for 2025.

Alaska Fisheries Resource Landing Tax - \$5,900,000

The amount proposed represents a \$300,000 or 5.3% increase from the FY 2024 budget amount (\$5,600,000). As of January 31, 2024, the City has recorded \$6,780,164, or 121% of FY 2024 budget.

The estimate for Alaska Fisheries Resource Landing Tax is based on total catch amounts reported by the NPFMC through November 6, 2023 and the State price book, last published in 2023. The actual amount paid to the City, however, is based on information provided to the State by the fishing vessels. While the City has requested additional detail related to amounts paid, the State has not been willing to provide such information. Frank Kelty can weigh in with details as needed.

ALTERNATIVES: This is a work session item for discussion.

FINANCIAL IMPLICATIONS: These General Fund projections provide preliminary information regarding the City’s revenue projections for FY 2025. Staff will continue to

monitor any items that will impact projections discussed this evening, and make necessary adjustments. Council will see any change in the draft budget later in the budget cycle. Council will also have an opportunity to revisit enterprise projections later in the budget cycle while reviewing and approving rates and fees.

The City's full schedule of budgeted revenue accounts, including proprietary funds, 1% Sales Tax, Bed Tax, Tobacco Tax, E911 Enhancement and the Permanent Fund, will accompany budget documents presented to Council in April 2024. That information will also provide greater detail with respect to General Fund revenue accounts not fully detailed within this memo.

LEGAL: There are no legal implications.

STAFF RECOMMENDATION: No staff recommendation; this is a discussion item only. Revenue projections will be incorporated in future Budget drafts shared with City Council.

PROPOSED MOTION: No action required.

CITY MANAGER'S COMMENTS: This report serves as an integral tool for developing our FY25 budget.

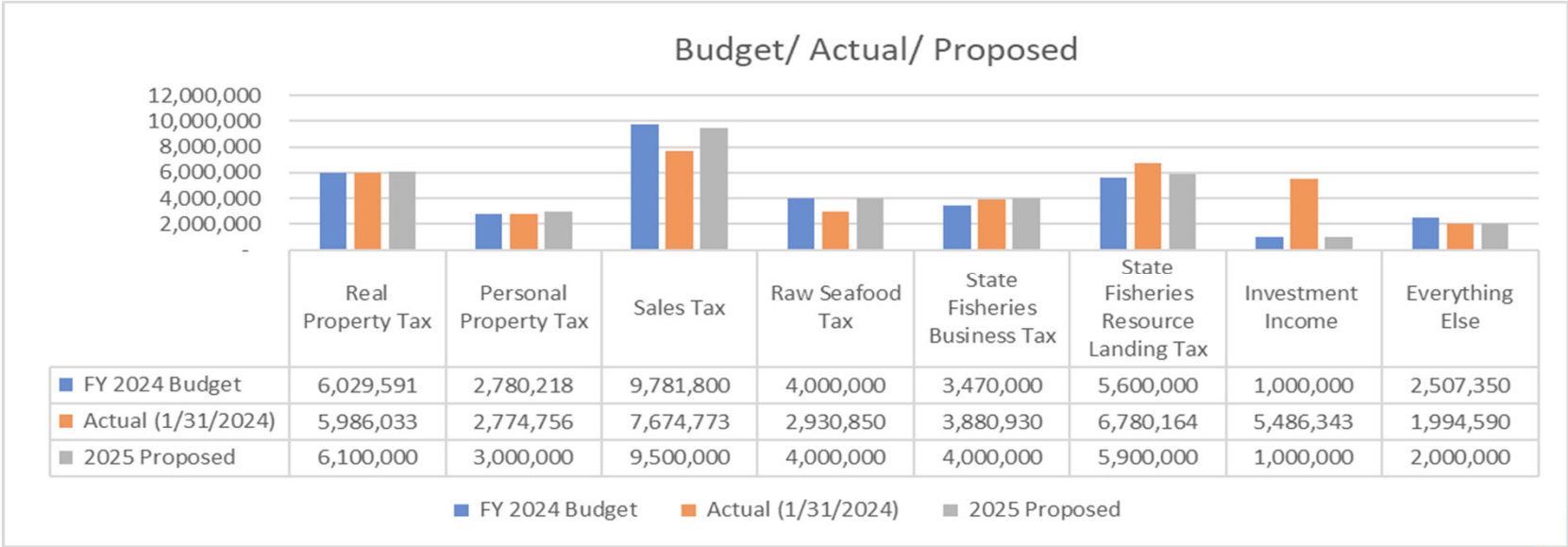
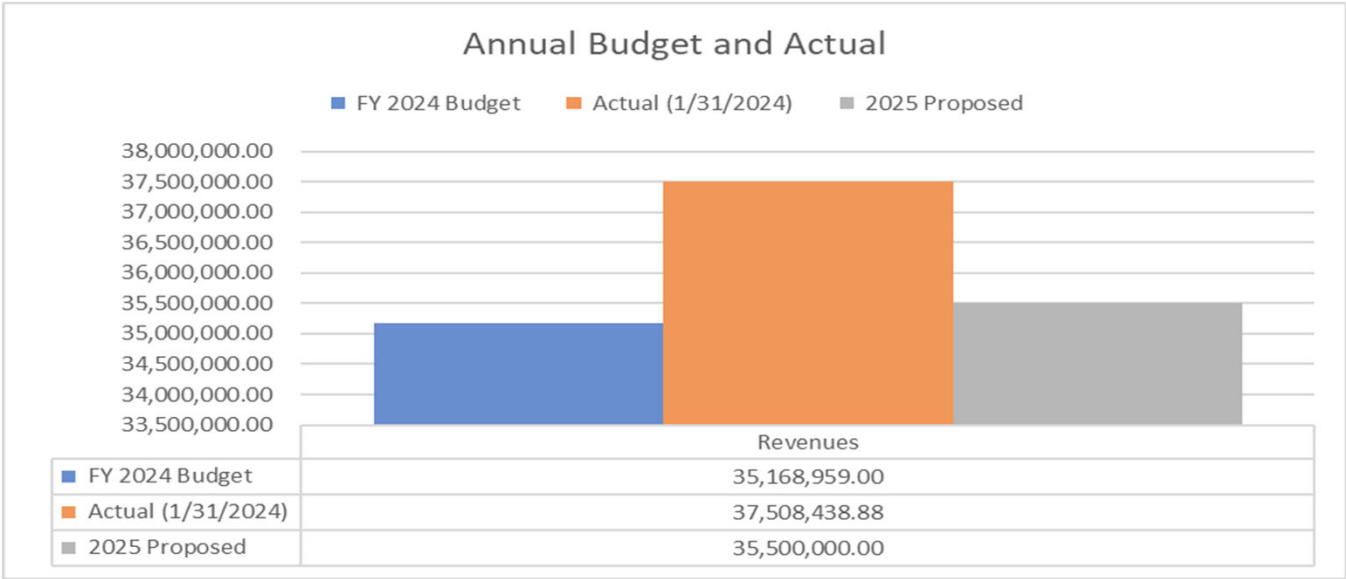


FY25 REVENUE PROJECTIONS - GENERAL FUND

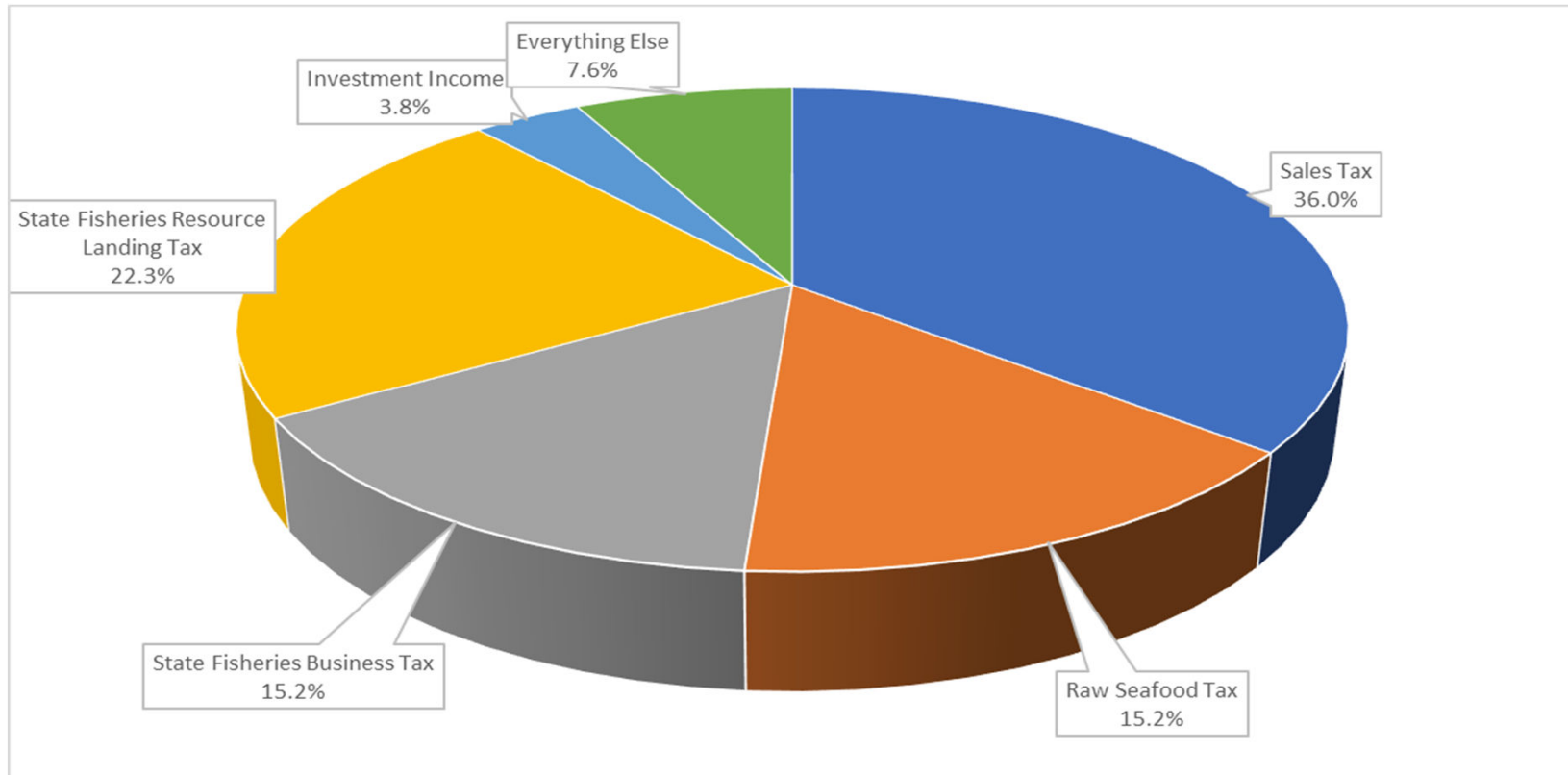
1

PURPOSE OF GENERAL FUND REVENUE PROJECTIONS

- Sustainability
 - Ensure that General Fund operating budget does not exceed projected General Fund revenue
- Comparison of Budget to Actual
 - Reconciliation of what we anticipated in prior years vs. actual revenues received



2025 REVENUE PROJECTIONS



GENERAL FUND HISTORICAL FY 2023-2025

	FY 2023 Budget	FY 2024 Budget	Actual 1/31/24	FY 2025 Proposed
Real Property Tax	4,950,000	6,029,591	5,986,033	6,100,000
Personal Property Tax	2,350,000	2,780,218	2,774,756	3,000,000
Sales Tax	7,650,000	9,781,800	7,674,773	9,500,000
Raw Seafood Tax	3,400,000	4,000,000	2,930,850	4,000,000
State Fisheries Business Tax	3,770,000	3,470,000	3,880,930	4,000,000
State Fisheries Resource Landing Tax	4,500,000	5,600,000	6,780,164	5,900,000
Investment Income	400,000	1,000,000	5,486,343	1,000,000
Everything Else	3,052,988	2,507,350	1,994,590	2,000,000
Total Revenues	30,072,988	35,168,959	37,508,439	35,500,000

MAJOR REVENUE SOURCES

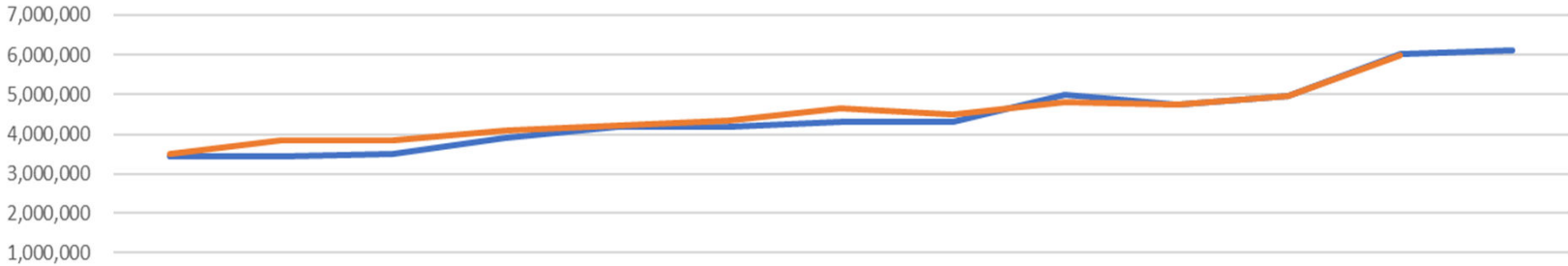
- Real Property Tax
- Personal Property Tax
- Sales Tax
- Raw Seafood Tax
- Alaska Fisheries Business Tax
- Alaska Fisheries Resource Landing Tax

- Over last 10 fiscal years, these taxes have accounted for 80.1% of General Fund revenues
- For FY 2025, budgeted to account for 90.6% of General Fund revenues

MAJOR REVENUE SOURCE – REAL PROPERTY TAX

- Mill Rate – 10.5
- Last adjustment – 2024 9.0 to 10.5
2023 10.5 to 9.0
2009 11.79 mills to 10.5
- Since FY 2013: Average of 17.25% of GF Revenue
- General upward trend during that time
- FY 2023 Actual \$4,978,177
- FY 2024 Budget \$6,029,591
- FY 2024 Actual (1/31/24) \$5,986,033
- FY 2025 Projection – \$6,100,000

Real Property Tax Budget vs Actual



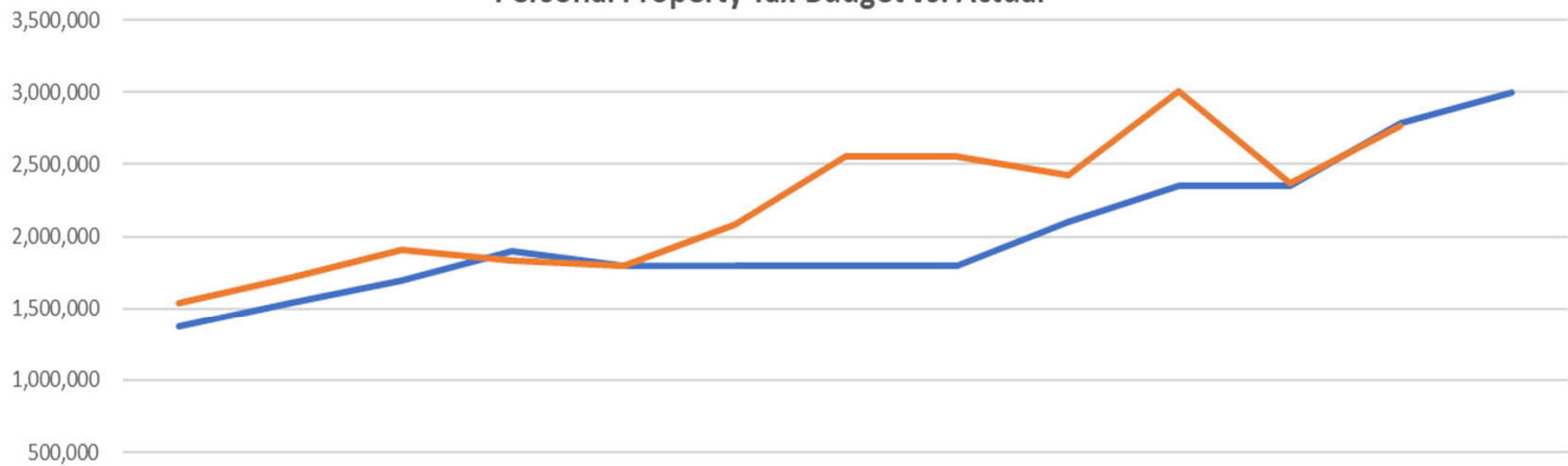
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Budget	3,450,000	3,450,000	3,500,000	3,900,000	4,200,000	4,200,000	4,300,000	4,300,000	5,000,000	4,750,000	4,950,000	6,029,591	6,100,000
Actual	3,493,790	3,862,350	3,862,350	4,085,050	4,233,660	4,347,500	4,666,500	4,489,600	4,799,500	4,737,374	4,978,177	5,986,033	

— Budget — Actual

MAJOR REVENUE SOURCE – PERSONAL PROPERTY TAX

- Mill Rate – 10.5
- Last adjustment – 2024 9.0 to 10.5
2023 10.5 to 9.0
2009 11.79 mills to 10.5
- Since FY 2013: Average of 5.9% of GF Revenue
- General upward trend during that time
- FY 2023 Actual – \$2,382,289
- FY 2024 Budget – \$ 2,774,756
- FY 2024 Actual (1/31/24) -2,764,714
- FY 2025 PROJECTED \$3,000,000

Personal Property Tax Budget vs. Actual



	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025 P
— Budget	1,370,000	1,540,000	1,700,000	1,900,000	1,800,000	1,800,000	1,800,000	1,800,000	2,100,000	2,350,000	2,350,000	2,780,218	3,000,000
— Actual	1,538,770	1,713,124	1,907,363	1,836,163	1,797,663	2,085,644	2,550,033	2,550,033	2,421,301	3,007,081	2,370,417	2,764,714	

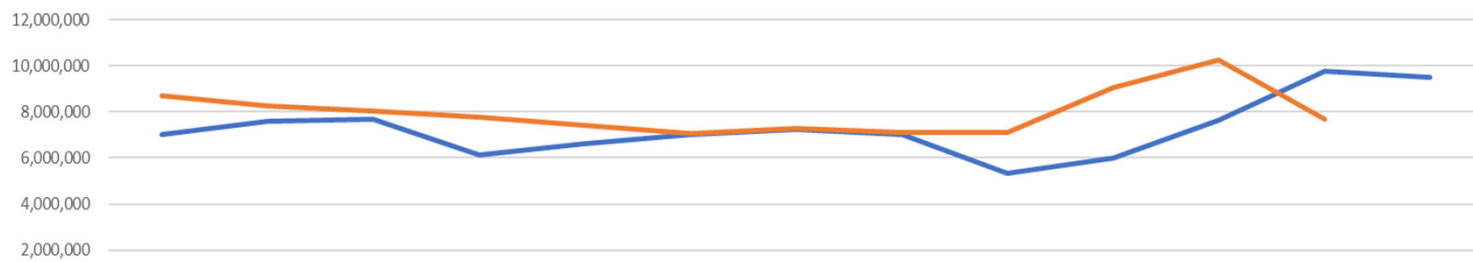
— Budget — Actual

MAJOR REVENUE SOURCE – SALES TAX

- Current Rate – 3%
 - General Fund Portion – 2%
 - 1% Sales Tax Fund – 1%

- Since FY 2013: Average of 22.0% of GF Revenue
- General downward trend during that time
- Strong correlation to Alaska North Slope Crude
- FY 2023 Actual – \$10,271,105
- FY 2024 Budget -\$9,781,800
- FY 2024 Actual (1/31/24) – \$7,674,773
- FY 2025 Projection \$9,500,000

Sales Tax Budget vs. Actual



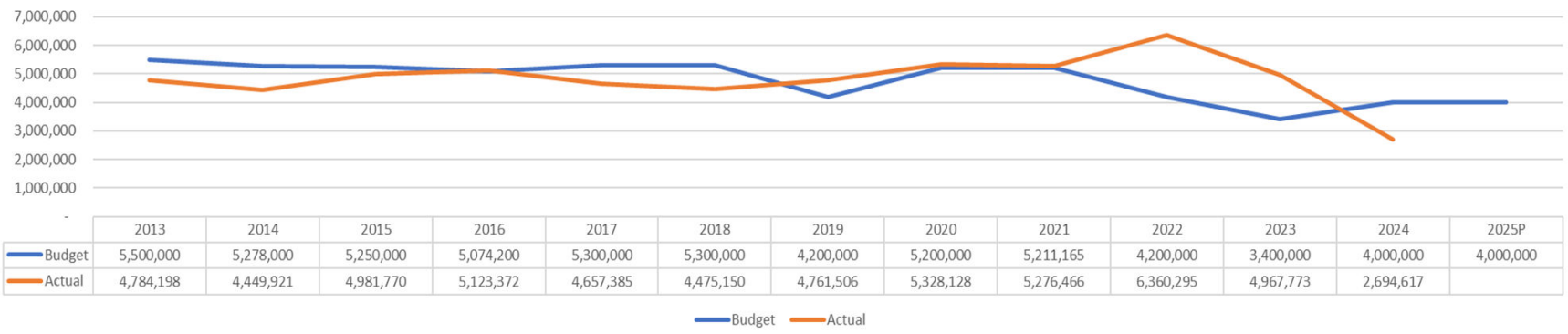
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P
Budget	7,000,000	7,600,000	7,700,000	6,120,000	6,600,000	7,000,000	7,250,000	7,000,000	5,333,333	6,000,000	7,650,000	9,781,800	9,500,000
Actual	8,722,523	8,255,697	8,020,397	7,757,315	7,411,475	7,045,535	7,299,723	7,093,282	7,096,330	9,039,203	10,271,105	7,674,773	

MAJOR REVENUE SOURCE – RAW SEAFOOD TAX

- Current Rate – 2%
- Since FY 2013: Average of 14.2% of GF Revenue
- Fairly volatile during that time
- Difficult to forecast

- FY 2023 Actual – \$4,967,773
- FY 2024 Budget – \$4,000,000
- FY 2024 Actual (1/31/24) - \$2,930,850
- FY 2025 Projection \$4,000,000

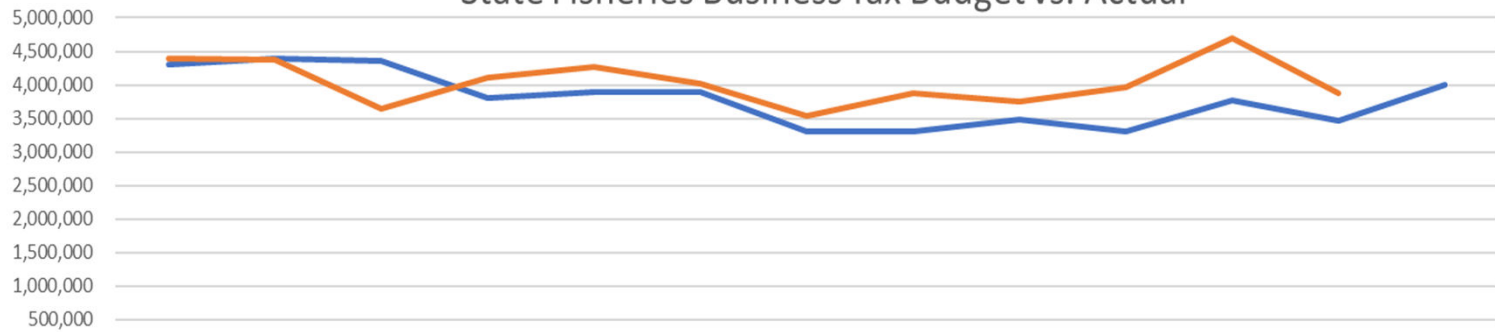
Raw Seafood Budet vs. Actual



MAJOR REVENUE SOURCE – STATE FISHERIES BUSINESS TAX

- Current Rate – 1.5%
- Since FY 2013: Average of 11.3% of GF Revenue
- Fairly straight forward calculation
- Based on prior calendar year fishery data
- FY 2023 Actual – \$4,689,418
- FY 2024 Budget – \$3,470,000
- FY 2024 Actual (1/31/24) -\$3,880,930
- FY 2025 Projection \$4,000,000

State Fisheries Business Tax Budget vs. Actual

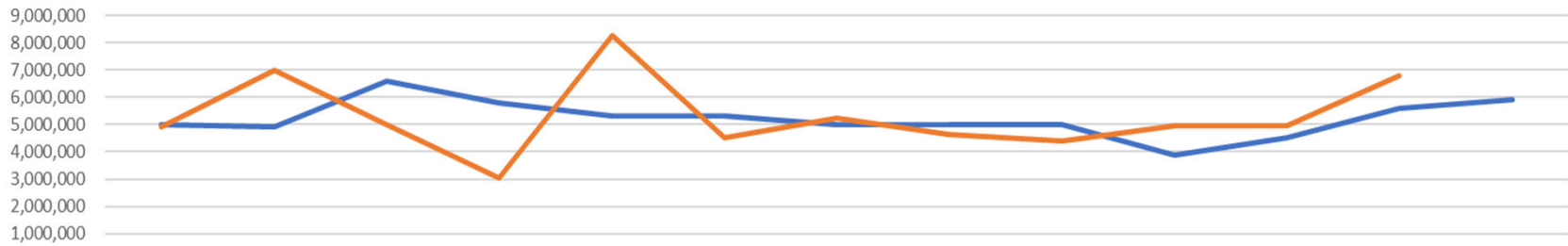


	2013	2014	2015	2016	2017	2018	2019	2022	2021	2022	2023	2024	2025P
— Budget	4,300,000	4,400,000	4,350,000	3,806,700	3,900,000	3,900,000	3,300,000	3,300,000	3,480,663	3,300,000	3,770,000	3,470,000	4,000,000
— Actual	4,398,441	4,377,934	3,639,448	4,099,315	4,276,287	4,014,323	3,528,499	3,869,625	3,747,582	3,973,545	4,689,418	3,880,930	

MAJOR REVENUE SOURCE – STATE FISHERIES RESOURCE LANDING TAX

- Current Rate – 1.5%
- Since FY 2013: Average of 14.7% of GF Revenue
- Difficult to predict with accuracy
- Based on:
 - Prior calendar year fishery data reported to the State
 - State published price book
- FY 2023 Actual – \$4,963,063
- FY 2024 Budget – \$5,600,000
- FY 2024 Actual (1/31/24) - \$6,780,164
- FY 2025 Projection \$5,900,000

State Resource Landing Tax Budget vs. Actuals



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025P
Budget	5,000,000	4,900,000	6,600,000	5,800,000	5,300,000	5,300,000	5,000,000	5,000,000	5,000,000	3,900,000	4,500,000	5,600,000	5,900,000
Actual	4,898,543	6,974,887	5,014,309	3,034,438	8,272,661	4,532,106	5,220,958	4,635,929	4,386,842	4,971,744	4,963,063	6,780,164	

— Budget — Actual

QUESTIONS

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Marjie Veeder, Assistant City Manager
Through: William Homka, Acting City Manager
Date: February 13, 2024
Re: Implementation of Title 3 Compensation Study

SUMMARY: This memo discusses the first step in implementing the recent compensation study conducted for Title 3 unrepresented employees.

PREVIOUS COUNCIL ACTION: Council was presented the final report and recommendations from McGrath Human Resources Consultants at a special meeting on February 6, 2024. No action was taken that evening.

BACKGROUND: Pay scales and wages for our Title 3 unrepresented employees are out of date and have not kept pace with the labor market or the cost of living. The last compensation study was conducted in 2013. Even though wage scales were increased by 4.5% across the board in 2019, a compensation and classification study was not completed and our pay scales have not kept pace with the market. This results in difficulty attracting new employees, current employees not being compensated fairly, and disparity and compression in relation to the pay scales of represented employees.

The City hired McGrath Human Resources Consultants to conduct a Classification and Compensation Study for our Title 3 unrepresented employees. The scope of services included:

- To review the salary grades to quantitatively evaluate and determine market competitiveness of each position using a methodology to construct a relative ranking of position and to produce or update the classification and compensation plan, including pay and structure. This plan should be internally equitable and competitive in external markets both public and private, utilizing both public and private sector data.
- To review and update current job descriptions.
- To review and recommend proper classification of each position relative to exempt and non-exempt status in accordance with Fair Labor Standards Act (FLSA) and State of Alaska Wage and Hour regulations.
- To determine the City's level of market competitiveness, including wages, cost of living, inflation and the value of health and welfare benefits (including employer contributions toward premiums), paid time off, and any other fringe benefits.
- To review and recommend any changes to the current fringe benefit and salary structure due to comparable benefits.
- To review the current system and identify any problems with the current system.
- To make recommendations on keeping the plan current, equitable and up to date.

McGrath utilized the following steps:

- Discussions with City Administration, Human Resources, and Department Directors and Managers.
- Analysis of the current salary schedule, compression, and current compensation policies.
- External market data was solicited from comparable public organizations, selected jointly between the Consulting team and the City.
- Internal position analysis based upon extensive information provided by incumbent employees describing job responsibilities, skills, and various competencies of the position; a review of job descriptions; and meetings with each Department Director.
- Feedback on recommendations by Administration and Human Resources, and Department Directors.

Note: The compensation study makes no change to existing job responsibilities and duties; and does not increase the number of full time equivalent employees. Changes in job duties, responsibilities and titles is the responsibility of the City Manager. Council authorizes the number of full time equivalent employees, and appropriates funding.

DISCUSSION: The report provided by McGrath contained many recommendations, many of which cannot be implemented immediately. A summary of the recommendations is attached.

What should be implemented immediately is the new pay scales, and corresponding wage increases for our employees.

Our Title 3 unrepresented employees have been waiting a long time for this study, and for their pay scales and wages to be adjusted to market. Even though this group of employees received a 10% pay increase effective pay period ending December 31, 2022, which was retroactive to July 1, 2022 (following the approval of the IUOE 302 collective bargaining agreement) almost all of their wages are still not at the minimum of market today.

As far as implementing wages, we plan to:

- Bring the wages for all employees up to the minimum of the new pay scale.
- Then increase the wage, in a consistent manner, for the employee's years in position, but no higher than control point so employees have room to grow in the pay scale. This acknowledges their tenure in position and offsets compression issues; and also helps provide separation between existing employees and future hires.
- If an employee's present wage is already within the new pay scale, provide a 3% wage increase, so everyone is guaranteed at least a 3% increase.
- For recently hired employees who bring many years of experience in role, bring them up to no higher than the control point to acknowledge that experience.
- The new pay scales have already been trended for 2024, meaning a 3.5% COLA has been applied. Moving forward, the plan is to provide a cost of living adjustment each year in January and update the pay scales accordingly, based on an economic indicator.

- For this implementation year only, we don't recommend merit increases on July 1, 2024 due to the significant wage increases being provided; and we also don't recommend applying pay increases retroactively.
- Beginning in 2025, provide annual merit increases on July 1st based on satisfactory performance evaluations.
- Future movement within the pay scales will then occur based on satisfactory performance.

ALTERNATIVES: Alternatives include –

1. Council can follow the recommendation of our professional consultant and implement new pay scales and wage increases for our Title 3 employees at the 85th percentile of the market.
2. Council could increase or decrease the desired percentile of the labor market. It is not recommended to decrease the percentile, as that would cause a newly adopted pay scale to pretty quickly fall behind market and ultimately continue the difficulties we are already experiencing.
3. Council could do nothing (also not recommended).

FINANCIAL IMPLICATIONS: If Council is amenable, we anticipate the budget amendment to be in the neighborhood of \$220,000 for the remainder of FY24 for wages, PERS contributions and taxes. For FY25, we believe it will cost approximately \$880,000 more than this year.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends that the new pay scale and wage increases be implemented as soon as possible.

PROPOSED MOTION: I move to direct the City Manager to bring back the necessary ordinances for consideration by Council to implement the recommended 2024 Salary Schedule at the 85th Percentile, as well as to provide commensurate wage increases for existing employees effective April 1, 2024.

CITY MANAGER COMMENTS: I support the staff recommendation.

ATTACHMENTS:

- Summary of Report Recommendations
- Classification and Compensation Study Final Report

SUMMARY OF COMPENSATION STUDY RECOMMENDATIONS

1. Define the city's compensation philosophy. It is recommended the City set its compensation philosophy at the 85th Percentile to account for the true cost of living on the Island and for the City to be poised more competitively in the current labor market to attract and retain employees.
2. Implement new Compensation Pay Grades at the 85th Percentile of the market. Discontinue the decision band method.
3. Maintain salary schedule: Adjust pay scales annually based on economic conditions.
4. Conduct market update of pay scales every 3-5 years, with first done in 3 years.
5. Recommended Compensation Policy Guidelines
 - a. New employees start at the minimum with minimum skills and abilities; experienced individuals, with proper approval, may be hired up to, but not over, the control point
 - b. Annual cost of living adjustments (COLA)
 - c. Annual merit increase up to the top of the pay scale; after employee reaches the top of the scale, annually only COLA provided; and city could consider lump sum non-base building payments
 - d. Market adjustments in particular positions as necessary
 - e. Promoted employees placed at minimum of new range, or the rate closest that provides a 5% increase, if over the minimum rate
 - f. Guidelines provided for demoted employees
 - g. Guidelines provided for pay grade changes
6. Monitor internal metrics to identify possible concern with City's placement in the market. Metrics suggested include applicant tracking, turnover, early turnover, offer acceptance, employee demographics and exit interview metrics.
7. Continue mechanisms that enhance compensation (longevity pay, hiring bonuses, retention bonus, moving allowance, travel allowance, and even take-home vehicles).
8. Move personnel, classification and compensation policies from code of ordinances and develop them as policies.
9. Benefits
 - a. Health insurance – if multiple plan designs are considered, include a high deductible plan coupled with a health savings account
 - b. Wellness program – consider allowing employee dependents to have free access to the aquatic center and community center
 - c. Holidays – consider adding the day after Thanksgiving as a recognized holiday

- d. Personal leave – consider elevating the minimum accruals to allow faster accumulation of leave. Recommend to start the accrual at 20 hours per month so all new employees will accrue 30 days after the first year.
- e. Consider offering post-employment medical trust funded by employee personal leave cash-outs (provides tax benefit as well)
- f. Consider offering employer match up to 3% of gross wages in voluntary 457(b) plans.

10. Other Opportunities to Consider

- a. Total Rewards model that takes into account the fluidity of the relationship between compensation, benefits, work-life effectiveness, recognition, performance management, and talent development.
- b. Remote and flexible work options for work-life balance on a position by position basis
- c. Time off for volunteering (1-2 days per year)
- d. Childcare assistance (pre-tax contributions to a dependent care flexible spending account; or other subsidy)
- e. Long term care insurance program
- f. 529 College Savings Plan (add a voluntary benefit option)
- g. Expand EAP (employee assistance program) Services
- h. Devise talent development programs
- i. Enhance and customize Employee Recognition Plans



Classification and Compensation Study Final Report

for

City of Unalaska, Alaska



January 2024



McGrath Consulting Group, Inc.
P.O. Box 865
Jamestown, TN 38556
Office (815) 728-9111
www.mcgrathconsulting.com

©Copyright 2024 McGrath Human Resources Group. All rights reserved.
No part of this document may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopy, recording or otherwise without the expressed written permission of McGrath Consulting Group, Inc.

Table of Contents

Project Introduction..... 5

Methodology..... 6

 Data Collection.....6

 Labor Market.....7

 Market Data Solicited.....8

Market Analysis 9

 Minimum Salary Comparison.....9

 Midpoint Salary Analysis.....9

 Maximum10

Current Compensation System..... 11

 Current Employee Progression.....12

 Integration Schedule Compression13

 Union Schedules13

 Overtime14

Current Title 3 Ordinance 14

Compensation Philosophy..... 15

 Employee Demographics16

 Public Sector Turnover/Recruitment Challenges18

 Alaska Economic Trends.....20

Salary Schedule Options..... 20

 Step Model21

 Range Model21

 Performance.....21

Recommended Salary Schedule..... 21

 Classification Structure22

 Position Placement.....22

 Employee Placement.....22

 City Manager Compensation.....23

 Other Compensation23

General Operational Guidelines..... 23

 Maintenance of Salary Schedule23

 Salary Schedule Adjustments.....24

 Annual Performance Adjustments24

 Compensation Policy Recommendations24

Metrics.....24

Market Updates.....25

Total Rewards..... 25

Benefits..... 26

 Health Insurance.....27

 Plan Design Overview27

 Premiums.....27

 Expected Employee Cost.....28

 Maximum Employee Cost.....29

 Insurance Summary.....30

 Time-Off Benefits.....31

 Holidays.....31

 Paid Time-Off (Personal Leave).....31

 Payout Provisions.....32

 Retirement Contributions.....32

Other Opportunities 32

 Flexible Work Options33

 Volunteering Time-Off.....34

 Childcare Assistance34

Long Term Care Insurance.....	34
529 College Savings Plan	34
Expanded EAP Services.....	35
Talent Development.....	35
Employee Recognition.....	36
Appendix A: Integrated Salary Schedules.....	38
Appendix B: Recommended 2024 Salary Schedule	41
Appendix C: Recommended Compensation Policy Guidelines.....	43
Figure 1: Minimum Analysis Summary.....	9
Figure 2: Midpoint Analysis Summary.....	10
Figure 3: Maximum Analysis Summary.....	11
Figure 4: Pyramid Compensation Structure Visual.....	12
Figure 5: Employee Demographics by Years of Service.....	16
Figure 6: Employee Demographics by Age Group.....	16
Figure 7: Employee Retention.....	17
Figure 8: Time in Current Position.....	18
Figure 9: Percentage of Applications for Government Employment 2020-2023.....	19
Figure 10: Total Rewards Visual.....	26
Table 1: Comparable Organizations	7
Table 2: Employee Salary Progression Example	12
Table 3: Metrics Recommendations	25
Table 4: Health Plan Summary.....	27
Table 5: Single Plan Premium Comparison.....	28
Table 6: Family Plan Premium Comparison.....	28
Table 7: Single Plan Comparable Review	29
Table 8: Family Plan Comparable Review.....	29
Table 9: Single Plan Maximum Risk Comparative Review	30
Table 10: Family Plan Maximum Risk Comparative Review.....	30
Table 11: Paid Time-Off Schedule.....	31

Project Introduction

McGrath Human Resources Group, Inc., an organization that specializes in public sector consulting, was commissioned by the City of Unalaska, Alaska, to conduct a Classification and Compensation Study for Non-Union (Title 3) positions. The Scope of Services included:

- To review the salary grades to quantitatively evaluate and determine market competitiveness of each position using a methodology that will construct a relative ranking of position and to produce or update the classification and compensation plan, including pay and structure. This plan should be internally equitable and competitive in external markets both public and private, utilizing both public and private sector data.
- To review and update current job descriptions.
- To review and recommend proper classification of each position relative to exempt and non-exempt status in accordance with Fair Labor Standards Act (FLSA) and State of Alaska Wage and Hour regulations.
- To determine the City's level of market competitiveness, including wages, cost of living, inflation and the value of health and welfare benefits (including employer contributions toward premiums), paid time off, and any other fringe benefits.
- To review and recommend any changes to the current fringe benefit and salary structure due to comparable benefits.
- To review the current system and identify any problems with the current system.
- To present, in person, the final results of the classification and compensation plan to the City Council.
- To make recommendations on keeping the plan current, equitable and up to date.

The Consultants utilized the following steps to make these compensation recommendations:

- Discussions with City Administration, Human Resources, and Department Directors and Managers.
- Analysis of the current salary schedule, compression, and current compensation policies.
- External market data was solicited from comparable public organizations, selected jointly between the Consulting team and the City.
- Internal position analysis based upon extensive information provided by incumbent employees describing job responsibilities, skills, and various competencies of the position; a review of job descriptions; and meetings with each Department Director.
- Feedback on recommendations by Administration and Human Resources, and Department Directors.

The following recommendations have been developed as a result of the Study:

In order for Unalaska to gain a competitive edge with recruitment and retention, it is recommended the City establish its compensation philosophy to the 85th Percentile of the market. This compensation strategy may increase the supply of candidates, increase selection rates of qualified applicants, maintain productivity, and decrease unwanted employee turnover. This type of strategy is appropriate for an organization like Unalaska, which has very unique needs based upon the location of the island, accessibility to and from the island, and local economy.

The City desires to continue its range model compensation system for flexibility in recruitment and having a performance program for employees. The Control Point is aligned to the 85th Percentile. The minimum rate of each pay range is set at 10% below that rate which allows the minimums of each salary range to be highly competitive. Each pay range is currently held to a 40% spread to maintain financial sustainability over time. This range model, coupled with the City's performance management program, should continue to be a performance motivator and a tool for professional growth and development, so the City can develop succession opportunities internally as well.

Additional recommendations on benefits and compensation policy are also provided.

Methodology

Data Collection

The project involved several steps: collection of data, interviews, and data analysis. The first step of this Study involved gathering data that pertains to current compensation practices within the City. The Consultants received information relating to current salaries, specific policies, collected market data, and current job descriptions.

The City invited the Lead Consultant to the Island at the start of the project. This onsite experience was highly advantageous to better understand the challenges of travel, weather, location, and amenities the island offers, as if the consultant was a prospective candidate.

While onsite, interviews were conducted with the City Manager, Assistant City Manager, Human Resources Manager, Department Directors, and other management personnel within each Department. The purpose of these meetings was to first, gain an understanding of the City's current compensation practices and philosophy; second, to solicit ideas and input from these stakeholders for future compensation methodologies and practices; and finally, to determine if there were any positions within the City that were difficult to recruit, retain, or were otherwise unique in the position's responsibilities.

Employees from each Job Classification were then asked to complete a Position Questionnaire (PQ) which provided extensive information about the position. The

Consultants utilized the Position Questionnaires completed by the employees, which had been reviewed by supervisory employees, to gain a better understanding of the job responsibilities, skills, and various competencies of the position.

During the second visit (virtual), the Consultants met with the City Manager, Assistant City Manager, and Human Resources Manager to provide a summary of the City against the comparable market.

Upon completion of the draft salary schedule, the Consultants met with the City Manager, Assistant City Manager, Human Resources Manager and each Department Director separately to review the recommended Salary Schedule updates and gain their perspective. Any recommendations and feedback provided was reviewed by the Consultants and taken into consideration in both its relation to the position analysis, the external market data, as well as the impact to internal equity within the entire Compensation System.

Labor Market

In order to gain information from the external market, through interviews with the Department Directors and City Administration, a list of comparable organizations was established. Each of the comparable organizations were contacted requesting current salary schedules and incumbent data. The following comparable organizations were contacted:

Table 1: Comparable Organizations

COMPARABLE ORGANIZATIONS	
Fairbanks North Star Borough	Borough
Kenai Peninsula Borough	Borough
Ketchikan Gateway Borough	Borough
Kodiak Island Borough	Borough
North Slope Borough	Borough
Juneau, AK	City & Borough
Sitka, AK	City & Borough
Anacortes, WA	City
Anchorage, AK	City
Astoria, OR	City
Bellingham, WA	City
Bethel	City
Edmonds, WA	City
Everett, WA	City
Fairbanks, AK	City
Homer, AK	City
Kenai, AK	City
Ketchikan, AK	City
Kodiak, AK	City

COMPARABLE ORGANIZATIONS	
Nome, AK	City
Port Angeles, WA	City
Seward AK	City
Spokane, WA	City
Valdez, AK	City
Port of Seattle, WA	Port Authority
Port of Portland, OR	Port Authority
State of Alaska	Fire Marshal Office

The collection of this compensation data was utilized to analyze the average Market Minimum, Midpoint and Maximum Rates per defined benchmark positions. A comparison of the average salary of the positions to the salary of incumbents within the City was also performed. When necessary, evaluation of the comparable organization’s job description, when available online, was utilized to resolve conflicts. In some cases, titles were altered to better align with the industry or responsibility. Not all positions are reflected in the following data analysis. In some situations, data was not available in the external market, data was insufficient, or there were no internal matches at the time of the Study.

Market Data Solicited

The market survey gathered the following 2023 information: Minimum, Midpoint, and Maximum salary for the positions. The average salary of the incumbents was requested, but few provided. There was a great deal of time spent on the data analysis to ensure that each position was examined based on the data available and how the responsibilities of each position align within the City.

In order to analyze salaries, a Comp Ratio is used. This is a ratio of the City’s salary in relation to the external market data at the 80th Percentile. A 50% Comp Ratio would mean that the salary is in line with the external Market while utilizing +/-5% range around each data point. Thus, if a position has a Comp Ratio of 45% or greater, the employee is considered competitively compensated, but positions with 45%-49% Comp Ratios may still be facing challenges with recruitment/retention due to the current labor market and have been identified separately.

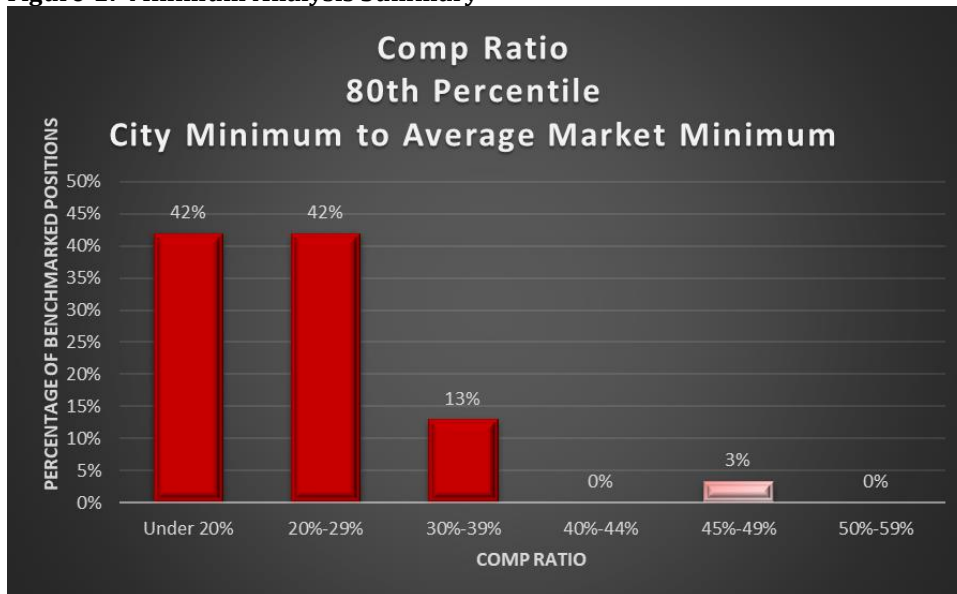
Market Analysis

Minimum Salary Comparison

The analysis of the minimum salary range gives an initial indication if starting salaries are within an acceptable market range. When building a salary schedule, consideration of this information will ensure the City's minimums are within an acceptable range to the market minimum; however, this analysis is only the beginning of the development of a compensation schedule.

Approximately 97% of the benchmarked job titles are below the 80th Percentile. Overall, 3% of the positions are within the acceptable average market minimum. The Minimums were so low, an additional analysis against the average market (50th Percentile) was also conducted (not shown). This additional analysis showed the same result, meaning the City's minimums are insufficient even against the average market. Figure 1 below provides a summary of findings.

Figure 1: Minimum Analysis Summary



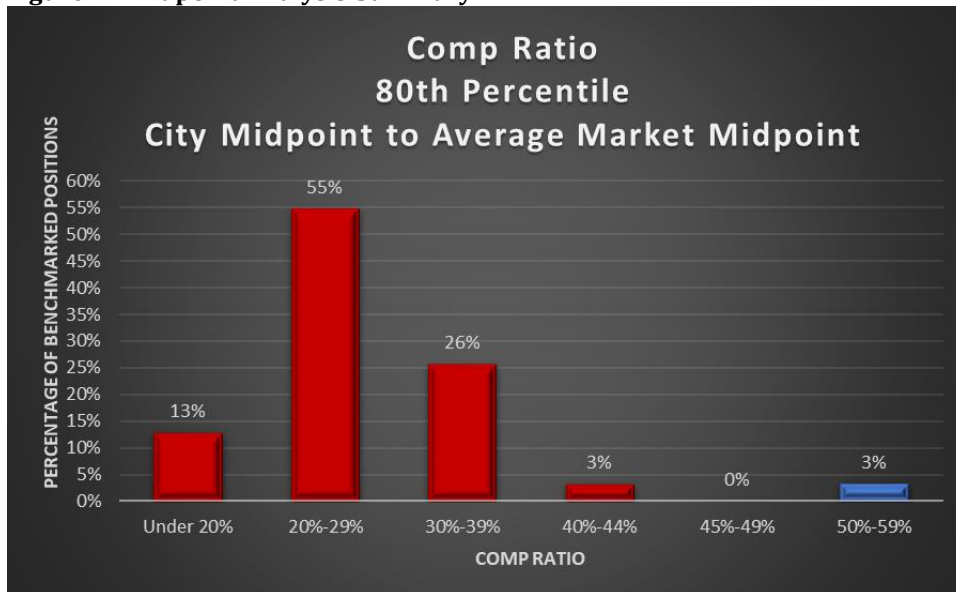
*May not total 100% due to rounding

Midpoint Salary Analysis

The Consultants wanted to know if the Midpoint of the existing salary schedule was aligned with the 80th Percentile; therefore, a midpoint analysis between the City's Midpoint and the 80th Percentile Midpoint was conducted. Again, a comp ratio less than 45% would indicate the salary ranges are not aligned to the market. Once again, 97% of the benchmarked

positions have fallen short of competitiveness. Overall, 3% of the positions are within the acceptable market at the 80th Percentile Midpoint. The following is a summary of findings.

Figure 2: Midpoint Analysis Summary



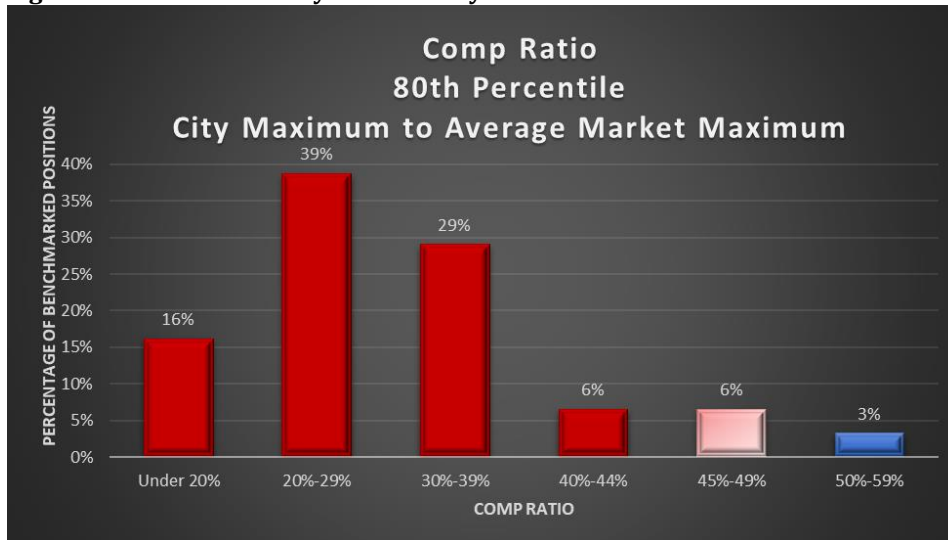
*May not total 100% due to rounding

Maximum

The Consultants compared the Salary Range Maximum to the average Market Maximum. However, due to various types of salary range construction, one must always consider this may not be an exact comparison.

With that said, the City's salary range maximum is at or above the 80th Percentile for Maximums for only 3% of positions. This is problematic because it shows a consistent pattern that the current schedule has fallen out of a competitive market range. As a result, the City may be challenged with the retention of current staff, which can lead to those staff leaving to work on the mainland for more pay.

Figure 3: Maximum Analysis Summary



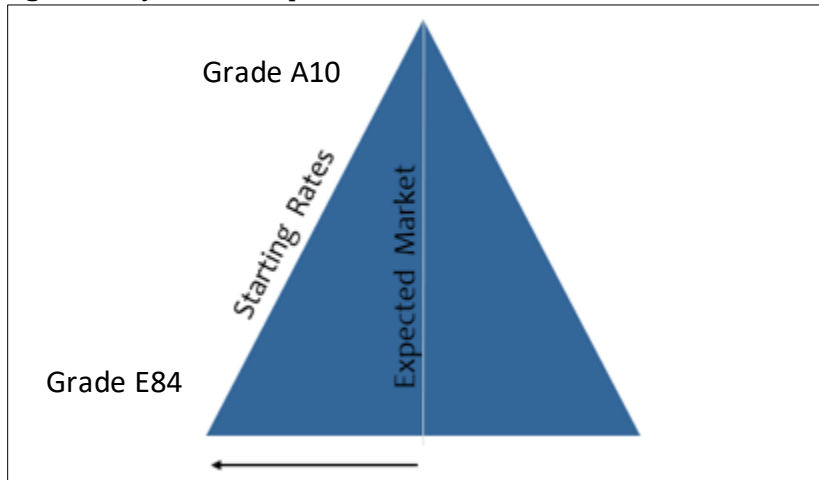
Market Data Summary

The City has not kept pace with the external market; the current salary schedule has fallen behind in the market. Significant adjustment to the ranges is necessary to identify and capture the market rate and realign positions for position responsibility and internal comparability, once placed in the pay grades.

Current Compensation System

The current Non-Union Salary Schedule is a Decision Band Method System. The System is made up of 21 unique Pay Ranges based upon the kind of decisions required among other factors for each position. Each Pay Range has an identified Minimum, Midpoint, and Maximum. The spread between Minimum and Maximum varies between 30%-50% which creates a pyramid structure. This structure is difficult because while it is presumed the City has historically aligned to the external market at the midpoint, it takes an employee longer to reach competitive market rate within each range in the higher salary ranges, which could result in retention challenges, by the very structure of the current system. An example of this phenomenon is as follows:

Figure 4: Pyramid Compensation Structure Visual



Compounding this issue, the City has only adjusted the salary ranges once since 2013, so the ranges have not maintained alignment to the external market.

Current Employee Progression

As previously stated, the City does not typically adjust salary ranges annually for an overall cost of living adjustment. Instead, employees progress through the ranges with a performance process. This has created some challenges for the City, in that employees are progressing too slow to keep with market conditions on a salary schedule that is not being maintained against the market. An illustration is provided. In this scenario, the salary schedule is never adjusted, even though this example uses a 2% CPI trend, and the employee in this illustration was hired at the minimum and receives a 4% merit salary increase each year. Progression through the range to reach/surpass the Midpoint (presumed market rate) of the current Salary Schedule will take the employee 7 years. However, at year 7, the presumed market is now higher, so it will take the employee 13 years at this pace to have their actual wages match/surpass the actual market rate. Current market conditions will require employers to progress employees to a more competitive rate faster for retention purposes. This will be discussed again with recommendations later in the report.

Table 2: Employee Salary Progression Example

A	B	C	D	E	F
	Employer Salary Range Minimum	Employer Salary Range Midpoint	Employee with 4% Annual Adjustments	Market Minimum (2% Trend)	Market Midpoint (2% Trend)
HIRE	\$40,689.79	\$50,862.24	\$40,689.79	\$40,689.79	\$50,862.24
yr. 2	\$40,689.79	\$50,862.24	\$42,317.38	\$41,503.59	\$51,879.48
yr. 3	\$40,689.79	\$50,862.24	\$44,010.08	\$42,333.66	\$52,917.07
yr. 4	\$40,689.79	\$50,862.24	\$45,770.48	\$43,180.33	\$53,975.42
yr. 5	\$40,689.79	\$50,862.24	\$47,601.30	\$44,043.94	\$55,054.92

yr. 6	\$40,689.79	\$50,862.24	\$49,505.35	\$44,924.82	\$56,156.02
yr. 7	\$40,689.79	\$50,862.24	\$51,485.57	\$45,823.31	\$57,279.14
yr. 8	\$40,689.79	\$50,862.24	\$53,544.99	\$46,739.78	\$58,424.73
yr. 9	\$40,689.79	\$50,862.24	\$55,686.79	\$47,674.57	\$59,593.22
yr. 10	\$40,689.79	\$50,862.24	\$57,914.26	\$48,628.07	\$60,785.09
yr. 11	\$40,689.79	\$50,862.24	\$60,230.83	\$49,600.63	\$62,000.79
yr. 12	\$40,689.79	\$50,862.24	\$62,640.06	\$50,592.64	\$63,240.80
yr. 13	\$40,689.79	\$50,862.24	\$65,145.66	\$51,604.49	\$64,505.62
yr. 14	\$40,689.79	\$50,862.24	\$67,751.49	\$52,636.58	\$65,795.73
yr. 15	\$40,689.79	\$50,862.24	\$70,461.55	\$53,689.31	\$67,111.65

Integration Schedule Compression

One issue with all the City’s Salary Schedules is internal equity. The Consultants placed all the Salary Schedules together to evaluate internal compression. It is not uncommon not to look at this as the City deals with the non-union schedules during budget time, and the union schedules during contract negotiations. Appendix A is the consolidation of the Schedules.

Analyzing the integrated schedules, there are significant concerns:

- There are supervisory positions that are very close to subordinate positions or their salary ranges considerably overlap.
- There is compression among positions, so there is insufficient distance between union to non-union positions. This causes individuals to be dissuaded from taking promotions or moving to higher level positions as the pay increase is insignificant or nonexistent.

Union Schedules

What does not often occur within an organization is the evaluation of how various compensation sources interrelate to one another. When administration must negotiate with one group, the concentration is on that group, not necessarily on how the change to their total compensation affects the compensation of others, including non-union personnel. This impact should not be ignored when determining the Salary Ranges of non-union personnel, as it results in insufficient distance between supervisor/subordinate positions or other related positions within a department that are often paid on different salary structures. This can also dissuade employees from seeking promotional opportunities if pay increases are minimal or non-existent.

Overtime

Compression due to salary plus overtime of lower ranks exceeding the higher ranks most commonly occurs in Public Safety departments and Public Works departments. When this occurs, it stifles an individual's willingness to promote as it often results in a reduction in pay. Due to this issue, the Consultants asked for salary information (base wages plus overtime) for a 12-month period for all job classifications.

It was found that both Police and Public Works have compression, which results in lower ranks matching or surpassing the salaries of supervisory/command positions. Adding distance between ranks can assist in minimizing overtime Compression but the City should review the overtime earned as well, as overtime amounts reached \$75,000 for employees in a 12-month period, which cannot be corrected solely by a compensation structure. Other factors that can reduce Compression are the evaluation of the purpose for the overtime in addition to evaluation of policies and contract language that are present for employees to earn overtime. It is also recommended to these Departments, along with the City Administration and Human Resources, review language and make recommendations for change, if appropriate, with the next round of contract negotiations.

Current Title 3 Ordinance

The City's current non-bargaining personnel, classification, and compensation related policies for non-represented personnel are outlined in the city's code of ordinances (Title 3). An ordinance is a legislative act and can be repealed only by another ordinance. A policy on the other hand, is a course of action, guiding principle, or strategy that has been adopted by the elected body, which can be updated and changed much quicker. Having these items included in ordinance becomes more challenging because the body must utilize the process to change ordinance when an item that is traditionally found at the policy level must be made. With the current labor market, organizations need to be flexible and nimble to an ever-changing market, and it is more typical to find personnel and classification and compensation policy at the policy level, with parameters for Administration to work within that policy to be adaptive to the organization's immediate operational needs. The elected body continues to set the strategy for the organization, it simply does so by policy in lieu of ordinance. In order for the City to be the most responsive it can be given the current market and its recruitment and retention challenges, it is recommended that personnel, classification, and compensation policy items be removed from ordinance and developed as policy.

Compensation Philosophy

A compensation philosophy is an organization's financial commitment to how it values its employees. The goal of this philosophy is to attract, retain, and motivate qualified people. A consistent philosophy provides a strong foundation in determining the type of total compensation package to offer employees.

There are foundational aspects of compensation to assist with the development of a compensation philosophy to ensure the goals of compensation align with the goals of the organization. First, there are basic questions to consider:

1. What is considered a fair wage?
2. Are wages aligned to the financial health of the organization?
3. Does the compensation system reflect the value of positions within the organization?
4. Is your compensation strong enough to retain employees?
5. Do you currently have a defined compensation philosophy?
6. If so, is your compensation philosophy keeping in line with labor market change, industry change, and organizational change?

The City is in business to provide services to the citizens, businesses, and visitors of the community. It does that through hiring qualified employees who lend their skills and talents to various positions within the organization. Without those individuals, the City would cease to provide infrastructure, safety, and other essential services and process the necessary functions to keep those systems in place. Employees expect a compensation system that pays a competitive wage for the skills, education, and responsibilities of the position. In order to be competitive for retention of existing personnel and have successful recruitment efforts to replace future turnover, the City needs to be competitive with the targeted comparables to allow the City to be a competitive employer.

The City, however, is unique in that it is part of the Aleutian Islands, so it is in a very remote part of Alaska. Cost of living differs. The Alaska Department of Commerce, Community, and Economic Development (DCCED) published its Statewide Comprehensive Economic Development Strategy 2022-2027 and found that the cost-of-living in Alaska an estimated 31% higher than the national average (2021). Additional detail was also found on the difference in housing, health care, energy costs, etc. This number is consistently published between 30%-36% (60% for housing), which helps to establish how the City should position itself within the comparable market, in consideration of the true cost of living factors employees face.

It is recommended the City set its compensation philosophy at the 85th Percentile to account for the true cost of living on the Island and for the City to be poised more competitively in the current labor market to attract and retain employees. The following sections support this recommendation.

Employee Demographics

In reviewing the employee demographics for positions covered in the Study, the tenure of the organization ranges from new hire – 23 years. The overall tenure average of the employees is 6.66 years. The national average in the public sector is currently 6.9 years (Local Government-Bureau of Labor Statistics, September 2022), showing the City is about average in overall tenure, which is positive. In order to have a full picture of the City, one needs to explore these demographics further. These findings are in the following Figures.

Figure 5: Employee Demographics by Years of Service

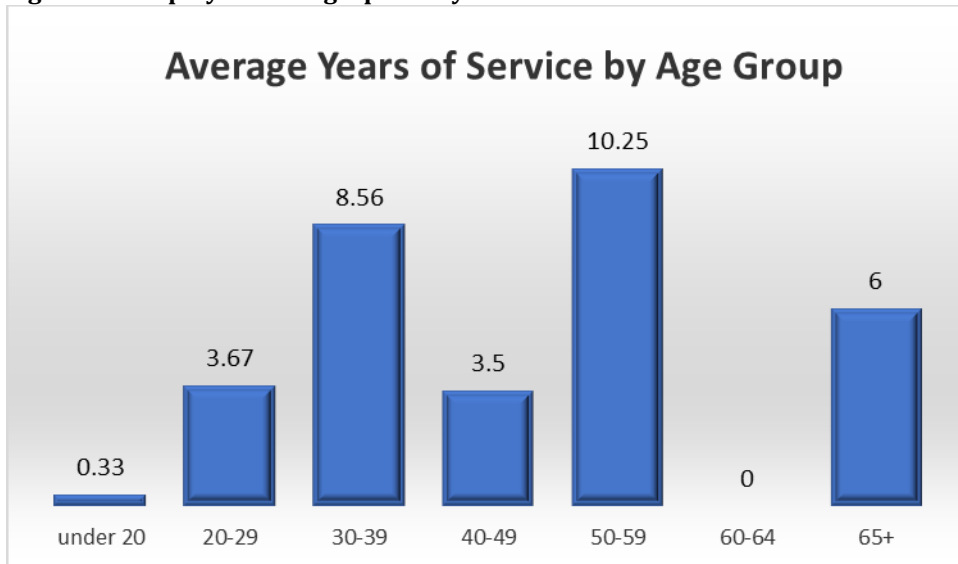
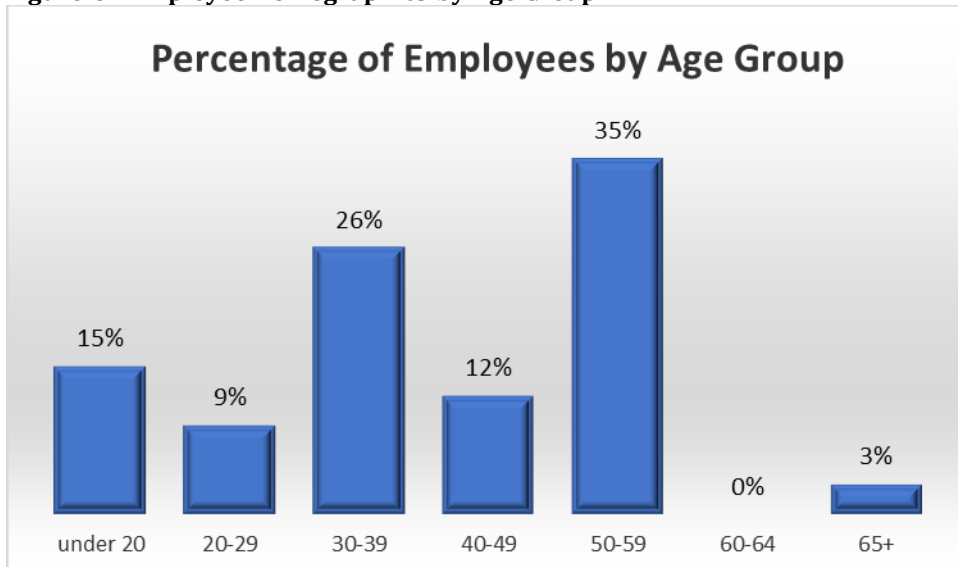


Figure 6: Employee Demographics by Age Group



The above Figures show those in age groups 50 and over have the longest tenure of the organization and represent 35% of employees covered under this Study. The next largest group of employees is age 30-39, representing 26% of employees covered under this Study. The City should expect turnover simply due to retirements over the next decade and beyond.

When these employees leave the City, the average tenure of the organization is going to decline, as their tenure is boosting the current average tenure. A turnover 'spike' may be an indication of a decline in job satisfaction, or a wage/benefit issue, so this data should be monitored at least annually.

Another significant finding is that the City's demographics profile illustrates that 50% of the workforce is under the age of 40, and this is likely the cross-section of employees who are seen as more mobile in today's workforce, focus heavily on work/life balance, and consider non-compensatory benefits for the purposes of retention. This group also changes jobs quickly because it results in earning higher wages as opposed to remaining with one organization for a longer period of time, which is notable as average tenure in these age groups range from .33-8.56 years of service.

But there are other considerations for the City, because of the geography that cannot be quantified in these Figures, such as personal connections to the lower 48, medical access, raising a family, finding employment for a spouse etc.

Looking at the tenure in more detail, in the following Figure, this shows how new the current workforce is. Currently, 50% of the workforce has five (5) or less years of service. Only 28% of the workforce has been in their existing position for ten years or greater. These findings are represented in the figure below.

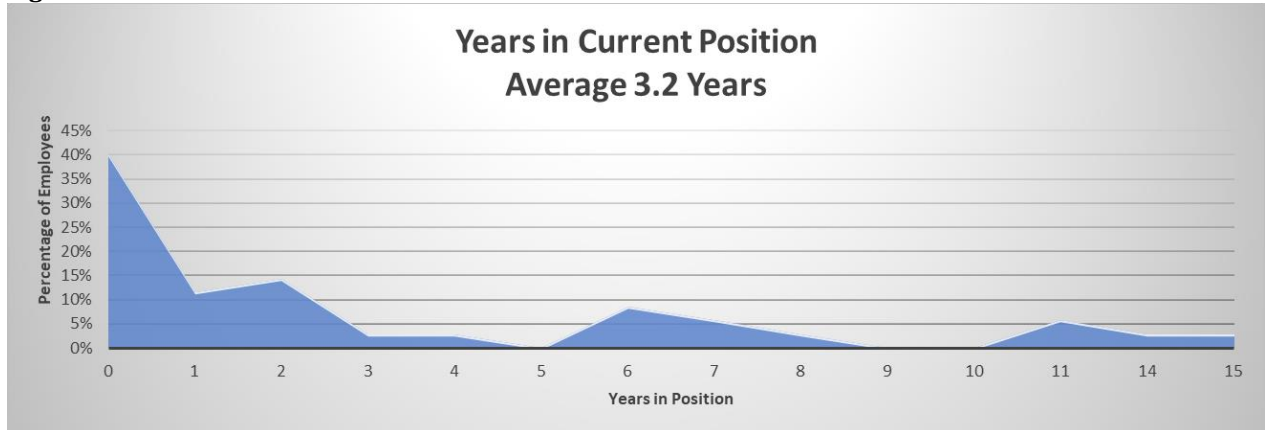
Figure 7: Employee Retention



One final look at the tenure of staff based upon their current position shows just how new the current workforce is. There is a significant reason to retain personnel to help develop the City's succession planning opportunities, but employees may not perceive the opportunities based on the current salary schedule. This means the organization may be looking to fill more positions externally, which could have unintended operational impacts.

Currently, 65% of this workforce has been in their positions two (2) years or less, with 71% of current personnel having been in their position five (5) or less years. So even though the organization has some tenure, that tenure is not necessarily within existing positions.

Figure 8: Time in Current Position



A competitive compensation system should help with retention and future hiring.

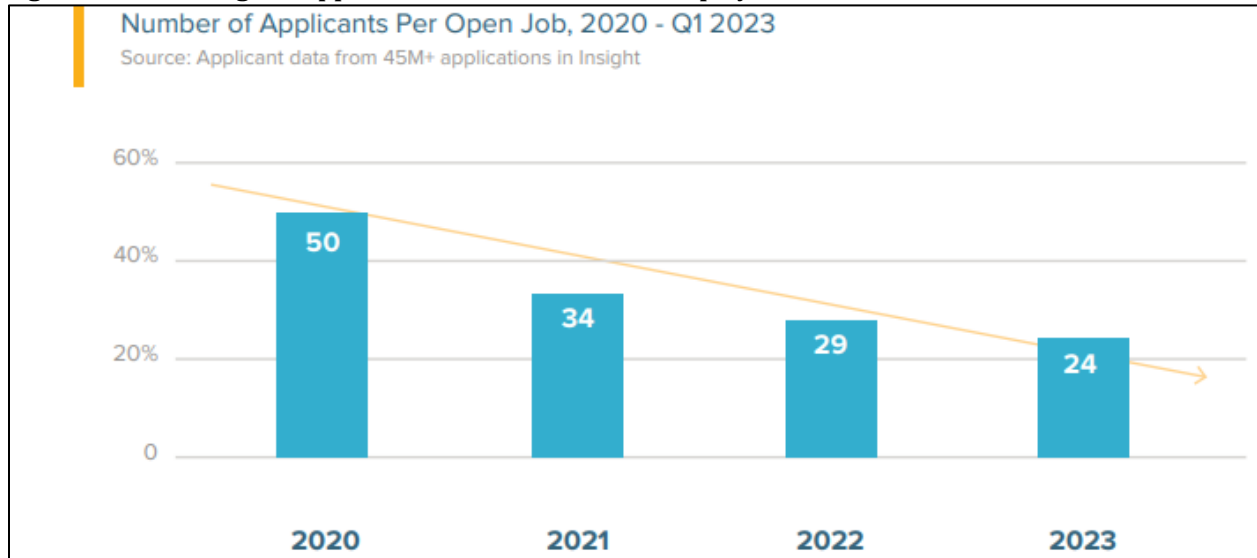
The City is recommended to monitor demographics periodically to properly respond to shifts within the organization as needed. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is recommended to follow the compensation philosophy of average market compensation to ensure the City can stay competitive to support retaining its personnel as long as possible.

Public Sector Turnover/Recruitment Challenges

According to human resources professionals across the United States, it is becoming progressively harder to hire qualified personnel. Looking at a tight labor market, recruitment and retention of qualified personnel with the necessary skills for public service has topped the list of workforce challenges for the last several years, and nearly all human resources professionals reported moderate to significant increases in vacancies within their organizations.

The Public Sector is described as being caught in a cycle of turnover and burnout because employees work harder and longer to compensate for staff shortages. Over time they burn out and leave their organization often earlier than planned. HR tries to fill critical roles but there are not enough qualified applicants to compensate for the turnover rates. Public sector job openings reached a new peak in 2022 reflecting a 78% increase since the year 2000, meaning the number of applications has remained flat.

Figure 9: Percentage of Applications for Government Employment 2020-2023



(Source: The Quiet Crisis in the Public Sector, Neogov, 2023).

This is not necessarily a new issue, but some employers do state it has become increasingly problematic for operations. Public employers have been experiencing ongoing challenges of this nature for almost a decade. Governments historically have had a compelling proposition to offer workers with secure lifetime employment and generous health benefits followed by a robust pension for retirement, which is no longer the case. Public employers are battling for their talent because:

- The “Silver Tsunami” identifies between 30%-40% of local government workers eligible to retire, and there is a workforce gap.
- Staff Burnout.
- Long-term employment has less appeal to the younger workforce.
- There is a real or perceived decline in public support for government workers.
- Public employers do not feel they can compete with salaries and benefits as benefits erode and the private sector is more competitive.
- There is a growing skills gap. Many government jobs now require specialized education or training. Fewer positions are ‘learn on the job.’
- Public employers are not able to offer the same level of flexible work arrangements to all employees.
- Limitations in technologies prevent efficiencies and automation.
- There are limited financial resources.
- Not all work cultures are satisfying and supportive.

Alaska Economic Trends

According to the Alaska Department of Commerce, Community, and Economic Development (DCCED), prior to the pandemic, Alaska suffered a recession linked to low oil prices from 2015-2018. COVID-19 caused a loss of roughly 40,000 jobs during the pandemic low point, and the State's economy has underperformed to that of the U.S. as a whole since 2015.

The COVID-19 pandemic caused a sharp decrease in employment in Alaska in early 2020. However, prior to the pandemic Alaska's economy had been in a recession from 2015 to 2018, followed by sluggish growth in 2018 and 2019. By contrast, the U.S. economy as a whole saw strong employment growth from 2015 to 2019. In February 2020, just prior to the COVID-19 recession, Alaska's employment rate was lower than the national average. Employment then fell sharply in April 2020, when the state lost nearly 40,000 jobs in one month—greater than one job in 10. Recovery from that low point has been slower in Alaska than nationally. By December 2021, the US had recovered almost 98% of its pre-pandemic employment, versus only 94% for Alaska.

Unalaska's economy is based on commercial fishing, fish processing, and fleet services such as fuel, repairs and maintenance, trade and transportation. The community enjoys a strategic position as the center of a rich fishing area, and for transshipment of cargo between Pacific Rim trading partners. The Port of Dutch Harbor is the only deep draft port from Unimak Pass, west to Adak and north to the Bering Straits that is ice-free year round. The Port has been designated a "Port of Refuge" and provides protection and repair for disabled or distressed vessels as well as ground and warehouse storage and transshipment opportunities for the thousands of vessels that fish or transit the waters surrounding the Aleutian Islands. Unalaska is the anchor for commercial fishing activity in the Bering Sea and the Aleutian Islands. It is also the home of the western-most container terminal in the United States and is one of the most productive ports for transshipment of cargo in Alaska. Because of the wide variety of services provided each and every day, no other community in the region has Unalaska's capacity to support commercial fishing in the Bering Sea. Despite potential economic difficulties in the region, this City of Unalaska is maintaining or surpassing its budgeted revenues, which is viewed as positive. In light of this economic stability, compensation was developed, taking into account the favorable economic conditions of the City.

Salary Schedule Options

The salary structure is one of the basic building blocks of a base compensation program. The type of structure sends a clear message about an organization's approach to job design, work processes, and organization structure. The type of salary structure an organization chooses must fit its culture, business needs, and operating cycle. The options discussed included the following:

Step Model

A compensation system that is common in the public sector, is the step system. Within this system, individuals receive a set increase based upon years in position to advance to the market rate. Individual performance should be a factor of compensation, as movement to the next step should be based upon acceptable documented performance. Step models are also generally predictable so employees can see their advancement through the range, are easy to budget for, and can be administered with administrative ease.

Range Model

When considering a compensation system, some organizations gravitate toward a range model, with a standard mechanism to progress through the system. This gives the City flexibility in hiring based on qualifications and allows the employee to progress through a competitive market range. The City can also incorporate performance increases in the future with this model.

Performance

During the Study, the Consultants asked about the support for merit, and from a management level, departments were supportive; they simply want a fair, objective, and equitable model. The Consultant is recommending a re-packaging of merit. All too often merit systems require good employees to continually prove their performance and justify why 'extra' compensation should be provided in a process that can be subjective. Within the City of Unalaska, management employees are held to a higher expectation in performing their responsibilities and they take pride in the level of service they provide to their community. Therefore, it is recommended that the merit simply correlate to these higher expectations, so the management team be awarded the merit purely on the basis of the expectations, unless the employee has underperformed and subsequently loses their opportunity for a merit adjustment for that year.

Recommended Salary Schedule

The recommended 2024 Compensation System is a range system, provided in Appendix B. Embedded within the System are 15 different pay grades with an 8%-10% spread between pay grades. There is a 10% range between the Minimum and the Control Point within each pay grade. The total spread from Minimum to Maximum is 40%. The Schedule has been developed around the Control Point of the Schedule, which is set at the 85th Percentile. The Schedule does have some overlap in ranks in some occupations, which is common. The recommended Salary Schedule, however, will help minimize compression between ranks

and levels within departments and allows for growth of positions into the future with the additional Pay Grades.

Classification Structure

During the course of the Study, there was an opportunity to better align job titles with responsibilities. Some job titles were revised for consistency based on their duties or to become more current with the external market and are reflected on the recommended Salary Schedule.

Additional classifications (job titles) have been included into the updated classification structure for the City. These new classifications are not necessarily funded, nor are they new additions to the City's FTE count. Rather, these classifications have been provided to the City as a mechanism to develop job families, or progression opportunities. This will allow the City to recruit for potential and focus on the development of staff. When the employee attains the qualifications and proficiency of the next level, additional levels within the job family exist to accommodate that career development (provided it is also necessary for the City). The essential functions and qualifications within the job families will be outlined in new job descriptions.

Position Placement

Placement onto the respective Salary Schedule is based upon several criteria:

- Job Analysis
- Market analysis
- Compression analysis
- Internal equity

After considering all these elements, placement of some positions on the Salary Schedule has changed. This is not an indication that any given position has more or less value, or that a specific position is even to be compared with the other positions in that respective pay grade, so employees are advised not to compare themselves with other positions given the complexity of the factors that are considered during placement of positions. Similarly, this is not a "reclassification" process, where a position is being evaluated on changes in responsibility, authority, or decision making that may place the position in a higher or lower pay grade, etc. This process is a complete reset of the Compensation System.

Employee Placement

For purposes of implementation, employees were placed to the Minimum of the Pay Range if currently under the new Rate. Employees already within the Range require no

'implementation' changes but because retention is a long-term goal for the City, placement of employees within their new salary range should occur commensurate with time in their current position. It is recommended that employees be placed between the Minimum of the Pay Range and the Control Point based upon their tenure in position to offset compression issues and to acknowledge the tenure the City has been able to retain. No employees that are currently above Control Point should receive less than their current salary, regardless of tenure in position. This is a one-time in-range adjustment for employees. The adjustments do not have to be identical to the salary range changes but should be incremental in nature to consider time in position and distance from the Control Point. This will also help provide separation between existing employees and future hires. The City is recommended to provide for a one-time in-range adjustment. Future movement within the ranges will then occur based on performance measures.

City Manager Compensation

The City Manager position is not part of the City's Compensation System because this position holds an employment agreement with the City. For retention of the chief administrative officer of the organization, and future recruitment needs, it is critical the City have knowledge of the current market range for this position. This is also important for compression purposes, because as direct report salary ranges are adjusted, the same should also occur for the City Manager. The salary range has been provided as a reference for the City and is identified as Grade 170 for the City's use.

Other Compensation

The City has been using other mechanisms to enhance compensation, including longevity pay, hiring bonuses, retention bonus, moving allowance, travel allowance, and even take-home vehicles. The City is recommended to retain these programs, which will be additional perks the City can offer toward the total compensation package.

General Operational Guidelines

Maintenance of Salary Schedule

It is important for the City to have a standardized procedure to adjust the Salary Schedules for consistency and for budgetary forecasting. It is the Consultant's recommendation that on a set date each year, the Salary Schedule be adjusted by the Consumer Price Index – Urban (CPI-U) percentage or by a local economic indicator, if preferred. For example, since budgeting is done at approximately the same time each year, the City should establish a specific month in which to capture the average of the previous twelve (12) months of the

selected economic indicator for a recommended adjustment. The City will still maintain control if conditions and finances fluctuate in a specific year. The following are the types of adjustments recommended:

Salary Schedule Adjustments

Annually, the Salary Schedule should be adjusted for economic reasons. Without maintaining the Salary Schedule, it will fall below the Market and the City will end up spending dollars to get it updated. Annual Salary Schedule adjustments will keep a competitive Salary Schedule. It is important the City budgets dollars for increases to the overall Schedule each year. There may be years when the economy cannot support such increases; however, that should be the exception, not the norm.

Annual Performance Adjustments

The Salary Schedule is based on a premise of an annual performance adjustment. Each year, employees can receive the salary increase set by City Administration for merit, unless an employee is on a Performance Improvement Plan.

Compensation Policy Recommendations

A comprehensive summary of recommended compensation guidelines has been provided in Appendix C. The City's Administration is recommended to consider these established guidelines and update the City's compensation policy accordingly.

Metrics

Salary Schedules need to be balanced between what is competitive for recruitment/retention, as well as what is affordable and financially sustainable long term. The City should monitor metrics as an internal indicator to identify if there is a possible concern with the City's placement in the market. Internally, metrics are standards of measurement used to assess what is occurring within an organization. Metrics tell an organization how well or poorly they are doing, allowing an organization to review, assess, problem solve, and adjust processes, as well as identify challenges or stressors to the organization that may be having a negative impact. Specific metrics may help identify where dollars are being expended that can be costly, including turnover. Although the Consultants acknowledge compensation is not the only reason for unwanted turnover, it is a consideration of the larger picture. In order to ensure competitive recruitment/retention, the City is advised to follow the recommended compensation philosophy to ensure it can stay competitive to support retaining its personnel. Metrics will help identify that success. Human Resources already maintains many of these metrics, and it is recommended this continue, and be analyzed regularly.

Table 3: Metrics Recommendations

METRIC	FORMULA TO CALCULATE	PURPOSE
Applicant Tracking	Total number of applications received	Assessing for reduced application stream
Turnover	Number of separations ÷ Number of approved FTE	Effectiveness of compensation and benefits; may identify trends that need further analysis within departments
Early Turnover	Number of employees leaving the job in the first 12 months of employment ÷ average actual # of employees in the job for same time period	Effectiveness of compensation and benefits; may identify trends that need further analysis within departments
Offer Acceptance	The number of employment offers accepted ÷ number of employment offers made	Effectiveness of compensation package
Employee Demographics	Percentage of employees in age categories and years of service categories	Assess work demographic for trends in lower tenure and higher percentage of employees in mobile generation groups (under 40)
Exit Interviews Metrics	NA	Documenting reasons for turnover for trends in compensation package

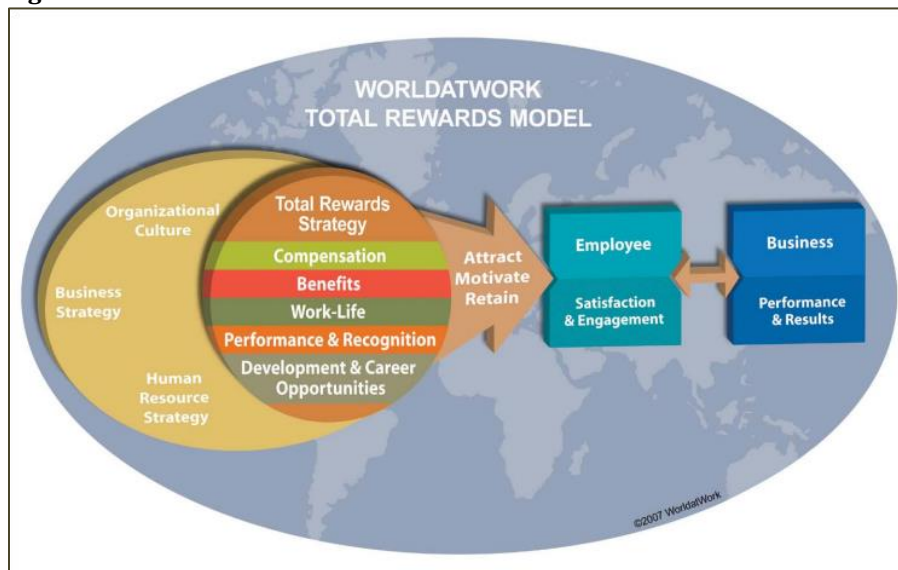
Market Updates

One of the main concerns in any Salary Schedule is the ability to keep it current. Often, an organization spends time and resources to review and reevaluate their Salary Schedule, resulting in providing employees or Pay Grades significant increases because either the positions or the Schedule is not in line with the external market. A Salary Schedule has a typical life span of three (3) to five (5) years, at which time market conditions typically necessitate a review. The City can strive to prolong the life of their Schedule if it continues to commit to maintaining its competitiveness with the external market by ensuring market updates occur. Given the current competitive market, the City is recommended to initially conduct a market update in three (3) years. Analyzing turnover and other human resource type metrics should help indicate if an external market update is required sooner or can be pushed back a year.

Total Rewards

Attraction, motivation, engagement and retention are critical issues facing all employers. Successfully addressing these issues begins with, at a minimum, having a strategy that aligns certain elements of the employment experience with the goals and objectives of the employer. A Total Rewards model encompasses specific employment elements to drive performance and a positive employment experience, which should promote retention. A Total Rewards model considers the following:

Figure 10: Total Rewards Visual



(Source: WorldatWork)

A total rewards model provides a framework for designing, implementing, and assessing the rewards packages offered throughout the organization. Organizations should always consider various influences, both internal and external, that help shape an organization's unique culture, business strategy, and human resources strategy. It will be important that the organization continue to focus on that balance going forward with the current labor market conditions, and acknowledging what is valued and important to various generations that make up current and future employees.

This visual should help the City as it considers new Total Reward opportunities for employees, to provide a balanced and engaging employment experience. Compensation is not the only driving factor for recruitment and retention, although it is currently the highest rated factor for both recruitment and retention feedback. The second highest rated item for retention is a positive work environment/culture, followed by challenging work and the ability to utilize their skills and talents.

Benefits

In addition to compensation, the city asked that a comparison of major benefits be completed. The following is a summary of these comparisons. It should be noted the recommendations contained in the benefit analysis will take time to evaluate with a benefits broker, and most cannot be quickly changed. This allows the City to understand their benefits among the comparable market and is independent of the compensation recommendations. The feasibility of feedback and options offered must be analyzed by the City as a whole and are not immediate recommendations.

Health Insurance

Plan Design Overview

The City offers one (1) health plan design, summarized as follows:

Table 4: Health Plan Summary

PLAN DESCRIPTION	MONTHLY EMPLOYEE CONTRIBUTION (S/F)	DEDUCTIBLE AMOUNTS (S/F)	OUT OF POCKET MAXIMUM (S/F)
Medical PPO	\$0/\$0	\$100/\$300	\$750/\$2,250

Multiple plan designs allow employees the opportunity to select from the coverage that best matches their personal situation. Many organizations add a high deductible plan which also provides the option of building a portable Health Savings Account (HSA) for unreimbursed medical expenses for current or future use. The comparable organizations with this option make an average annual HSA contribution of \$1,500 for single coverage and \$3,000 for family coverage. Comparable organizations providing this option contribute on average \$1,800 for single coverage and \$3,700 for family coverage. These options could be considered if the City expands plan designs in future years to allow employees the opportunity to build a portable health savings account that can be used for future medical expenses, including in retirement.

The City offers a Wellness Program providing unlimited use of the Aquatic and Community Centers for employees at no cost. These facilities offer access to various recreational and wellness activities promoting a healthy lifestyle. The City is commended for this effort. Offering wellness opportunities is a critical part in offering employees opportunities to achieve success both at work and away from work under a Total Rewards program. The City has a benefit enhancement opportunity to provide these services to dependents.

Premiums

It is extremely difficult to compare health insurance, as the number of plans and the plan designs are significantly different among organizations. What can be compared is the amount the employee contributes toward the cost of that insurance. As the City is aware, the cost of health insurance is a large budget item for any organization. Health insurance is also often the single largest benefit looked at by potential new hires with the City, so a review of employee contributions to this benefit is imperative for offering a comprehensive benefit package. The Consultants compared Unalaska's 2023 health plan with the comparable organization's health plans for a more accurate reflection of insurance to its specific comparables. The following are the results from comparable entities that provided benefit data, broken down into single and family coverage.

Table 5: Single Plan Premium Comparison

COMPARABLE	PLAN DESCRIPTION	SINGLE MONTHLY PREMIUM	DEDUCTIBLE AMOUNT
Unalaska, AK	Medical PPO	\$0.00	\$100.00
Kodiak, AK	PPO	\$0.00	\$1,000.00
Everett, WA	HMA CDHP	\$0.00	\$1,500.00
Juneau Borough, AK	HDHP	\$0.00	\$2,000.00
Port of Seattle, WA	HDHP Plan	\$15.38	\$1,500.00
Port of Seattle, WA	HMO Plan	\$46.80	\$0.00
Port of Seattle, WA	POS Plan	\$61.96	\$500.00
Port Angeles, WA	AWC Medical	\$75.80	Not Provided
Valdez, AK	Medical Plan	\$93.67	\$100.00
Kenai Peninsula Borough, AK	Yukon Plan	\$95.00	\$2,000.00
Juneau Borough, AK	Economy	\$108.33	\$700.00
Everett, WA	Kaiser HMO	\$110.74	\$0.00
Everett, WA	HMA PPO	\$129.04	\$300.00
Kenai, AK	PPO 3000	\$152.00	\$3,000.00
Kenai, AK	PPO 2000	\$154.00	\$2,000.00
Juneau Borough, AK	Standard	\$211.12	\$350.00
Fairbanks North Star Borough, AK	Medical Plan	\$314.00	\$250.00

Table 6: Family Plan Premium Comparison

COMPARABLE	PLAN DESCRIPTION	FAMILY MONTHLY PREMIUM	DEDUCTIBLE AMOUNT
Unalaska, AK	Medical PPO	\$0.00	\$300.00
Everett, WA	HMA CDHP	\$0.00	\$3,000.00
Kodiak, AK	PPO	\$0.00	\$3,000.00
Valdez, AK	Medical Plan	\$93.67	\$300.00
Port Angeles, WA	AWC Medical	\$145.80	Not Provided
Port of Seattle, WA	HDHP Plan	\$146.82	\$3,000.00
Juneau Borough, AK	HDHP	\$160.00	\$4,000.00
Kenai Peninsula Borough, AK	Yukon Plan	\$215.00	\$4,000.00
Everett, WA	Kaiser HMO	\$314.18	\$0.00
Juneau Borough, AK	Economy	\$320.45	\$1,400.00
Port of Seattle, WA	HMO Plan	\$325.60	\$0.00
Everett, WA	HMA PPO	\$361.32	\$600.00
Fairbanks North Star Borough, AK	Medical Plan	\$384.00	\$650.00
Port of Seattle, WA	POS Plan	\$411.06	\$1,500.00
Kenai, AK	PPO 3000	\$413.00	\$6,000.00
Kenai, AK	PPO 2000	\$424.00	\$4,000.00
Juneau Borough, AK	Standard	\$466.22	\$700.00

The tables above indicate the City’s employee premiums are the most competitive within the comparable market.

Expected Employee Cost

Because premiums and deductibles are varied in the region, when considering the cost of the monthly premium plus the deductible, this is a truer look at the expected employee cost. This calculation shows the City’s true position in the market as shown in the Tables below.

Table 7: Single Plan Comparable Review

COMPARABLE	PLAN DESCRIPTION	ANNUAL PREMIUM	DEDUCTIBLE AMOUNT	EXPECTED ANNUAL RISK TO EMPLOYEE
Unalaska, AK	Medical PPO	\$0.00	\$100.00	\$100.00
Port of Seattle, WA	HMO Plan	\$561.60	\$0.00	\$561.60
Kodiak, AK	PPO	\$0.00	\$1,000.00	\$1,000.00
Valdez, AK	Medical Plan	\$1,124.04	\$100.00	\$1,224.04
Port of Seattle, WA	POS Plan	\$743.52	\$500.00	\$1,243.52
Everett, WA	Kaiser HMO	\$1,328.88	\$0.00	\$1,328.88
Everett, WA	HMA CDHP	\$0.00	\$1,500.00	\$1,500.00
Port of Seattle, WA	HDHP Plan	\$184.56	\$1,500.00	\$1,684.56
Everett, WA	HMA PPO	\$1,548.48	\$300.00	\$1,848.48
Juneau Borough, AK	Economy	\$1,299.96	\$700.00	\$1,999.96
Juneau Borough, AK	HDHP	\$0.00	\$2,000.00	\$2,000.00
Juneau Borough, AK	Standard	\$2,533.44	\$350.00	\$2,883.44
Kenai Peninsula Borough, AK	Yukon Plan	\$1,140.00	\$2,000.00	\$3,140.00
Kenai, AK	PPO 2000	\$1,848.00	\$2,000.00	\$3,848.00
Fairbanks North Star Borough, AK	Medical Plan	\$3,768.00	\$250.00	\$4,018.00
Kenai, AK	PPO 3000	\$1,824.00	\$3,000.00	\$4,824.00

*Comparables that did not provide deductible amounts excluded

Table 8: Family Plan Comparable Review

COMPARABLE	PLAN DESCRIPTION	ANNUAL PREMIUM	DEDUCTIBLE AMOUNT	EXPECTED ANNUAL RISK TO EMPLOYEE
Unalaska, AK	Medical PPO	\$0.00	\$300.00	\$300.00
Valdez, AK	Medical Plan	\$1,124.04	\$300.00	\$1,424.04
Everett, WA	HMA CDHP	\$0.00	\$3,000.00	\$3,000.00
Kodiak, AK	PPO	\$0.00	\$3,000.00	\$3,000.00
Everett, WA	Kaiser HMO	\$3,770.16	\$0.00	\$3,770.16
Port of Seattle, WA	HMO Plan	\$3,907.20	\$0.00	\$3,907.20
Port of Seattle, WA	HDHP Plan	\$1,761.84	\$3,000.00	\$4,761.84
Everett, WA	HMA PPO	\$4,335.84	\$600.00	\$4,935.84
Juneau Borough, AK	Economy	\$3,845.40	\$1,400.00	\$5,245.40
Fairbanks North Star Borough, AK	Medical Plan	\$4,608.00	\$650.00	\$5,258.00
Juneau Borough, AK	HDHP	\$1,920.00	\$4,000.00	\$5,920.00
Juneau Borough, AK	Standard	\$5,594.64	\$700.00	\$6,294.64
Port of Seattle, WA	POS Plan	\$4,932.72	\$1,500.00	\$6,432.72
Kenai Peninsula Borough, AK	Yukon Plan	\$2,580.00	\$4,000.00	\$6,580.00
Kenai, AK	PPO 2000	\$5,088.00	\$4,000.00	\$9,088.00
Kenai, AK	PPO 3000	\$4,956.00	\$6,000.00	\$10,956.00

*Comparables that did not provide deductible amounts excluded

Looking at the deductible amount with the premium cost against the external market, the City remains at the top of the market. A final look at the City in relation to out-of-pocket maximums follows.

Maximum Employee Cost

The following tables show employees that experience a major medical event that exceeds the deductible costs when considering the maximum out of pocket expenses.

Table 9: Single Plan Maximum Risk Comparative Review

COMPARABLE	PLAN DESCRIPTION	ANNUAL PREMIUM	OUT OF POCKET MAXIMUM AMOUNT	EXPECTED ANNUAL RISK TO EMPLOYEE
Unalaska, AK	Medical PPO	\$0.00	\$750.00	\$750.00
Valdez, AK	Medical Plan	\$1,124.04	\$488.00	\$1,612.04
Port of Seattle, WA	HMO Plan	\$561.60	\$1,500.00	\$2,061.60
Everett, WA	HMA PPO	\$1,548.48	\$750.00	\$2,298.48
Everett, WA	Kaiser HMO	\$1,328.88	\$1,000.00	\$2,328.88
Everett, WA	HMA CDHP	\$0.00	\$2,500.00	\$2,500.00
Port of Seattle, WA	POS Plan	\$743.52	\$2,000.00	\$2,743.52
Port of Seattle, WA	HDHP Plan	\$184.56	\$3,200.00	\$3,384.56
Kodiak, AK	PPO	\$0.00	\$3,500.00	\$3,500.00
Juneau Borough, AK	HDHP	\$0.00	\$4,000.00	\$4,000.00
Juneau Borough, AK	Economy	\$1,299.96	\$3,000.00	\$4,299.96
Juneau Borough, AK	Standard	\$2,533.44	\$1,850.00	\$4,383.44
Fairbanks North Star Borough, AK	Medical Plan	\$3,768.00	\$1,200.00	\$4,968.00
Kenai Peninsula Borough, AK	Yukon Plan	\$1,140.00	\$5,000.00	\$6,140.00
Kenai, AK	PPO 2000	\$1,848.00	\$4,500.00	\$6,348.00
Kenai, AK	PPO 3000	\$1,824.00	\$6,000.00	\$7,824.00

*Comparables that did not provide deductible amounts excluded

Table 10: Family Plan Maximum Risk Comparative Review

COMPARABLE	PLAN DESCRIPTION	ANNUAL PREMIUM	OUT OF POCKET MAXIMUM AMOUNT	EXPECTED ANNUAL RISK TO EMPLOYEE
Valdez, AK	Medical Plan	\$1,124.04	\$976.00	\$2,100.04
Unalaska, AK	Medical PPO	\$0.00	\$2,250.00	\$2,250.00
Everett, WA	HMA CDHP	\$0.00	\$5,000.00	\$5,000.00
Everett, WA	Kaiser HMO	\$3,770.16	\$2,000.00	\$5,770.16
Everett, WA	HMA PPO	\$4,335.84	\$1,500.00	\$5,835.84
Port of Seattle, WA	HMO Plan	\$3,907.20	\$3,000.00	\$6,907.20
Kodiak, AK	PPO	\$0.00	\$7,000.00	\$7,000.00
Port of Seattle, WA	HDHP Plan	\$1,761.84	\$6,400.00	\$8,161.84
Fairbanks North Star Borough, AK	Medical Plan	\$4,608.00	\$4,000.00	\$8,608.00
Juneau Borough, AK	HDHP	\$1,920.00	\$8,000.00	\$9,920.00
Juneau Borough, AK	Standard	\$5,594.64	\$5,200.00	\$10,794.64
Port of Seattle, WA	POS Plan	\$4,932.72	\$6,000.00	\$10,932.72
Kenai Peninsula Borough, AK	Yukon Plan	\$2,580.00	\$8,500.00	\$11,080.00
Juneau Borough, AK	Economy	\$3,845.40	\$8,000.00	\$11,845.40
Kenai, AK	PPO 2000	\$5,088.00	\$9,000.00	\$14,088.00
Kenai, AK	PPO 3000	\$4,956.00	\$12,000.00	\$16,956.00

*Comparables that did not provide deductible amounts excluded

Insurance Summary

Overall, the City is in a very competitive position in the comparable market for health insurance. In addition to a competitive health insurance plan, the City also provides LifeMed Insurance at no cost to employees and their dependents. This invaluable benefit provides peace of mind when a seriously ill and injured person needs advanced medical care and

needs to be transported to the mainland. The City also provides Vision, Dental, and numerous voluntary insurance programs. The City’s future opportunity in health care is a plan that introduces a health savings account to facilitate a portable account for employees.

Time-Off Benefits

Time-off and work life balance continue to be top areas candidates and employees look at when considering employment and retention. Therefore, the City’s paid time-off benefits were also reviewed.

Holidays

Currently the City offers nine (9) observed and four (4) floating holidays per year for a total of 13 days. The comparables that provided holiday information reported total holidays between 11-14 days, with most reporting 12 days. Floating holidays are beneficial when the City does not observe a federal holiday, or for an individual religions holiday or traditional practice that does not align with the City’s schedule. The consultants found that most comparables reported the Friday after Thanksgiving as an observed holiday, which is not observed by the City, and could be.

Paid Time-Off (Personal Leave)

The City has the following personal leave model as of 1/1/2023 summarized as follows:

Table 11: Paid Time-Off Schedule

DESCRIPTION	LEVELS OF ACCRUAL	MINIMUM ACCRUAL	MAXIMUM ACCRUAL	YEARS TO REACH MAXIMUM
Full-time employees	5	24 days	48 days	9 years

Comparable organizations with similar models offer 18-24 days in the first year and have between 3-6 levels of accrual. The maximum accruals range from 30-39 days. The City’s maximum carry-over hours is 768 hours. Comparables reported maximums from 520-800 hours. The City’s accruals are aligned at the top of the market with the comparables in the Study, which is critical for employees who need to travel to the mainland for extended periods of time for personal reasons. Because travel from the island comes with a significant cost, employees typically leave the island for an extended period of time. The City should consider elevating the minimum accruals to allow a faster accumulation of time, to make this benefit more attractive to new hires who otherwise need to wait a couple years to accumulate the time needed to leave the island. The City is recommended to start the accrual at 20 hours per month so all new employees will accrue 30 days after the first year.

Payout Provisions

In terms of payouts, the City's payout provision is in the form of cash. This payment is then considered taxable to the employee, and the City pays related employment taxes on these amounts. Further, these payments need to be recorded as liabilities on the City's financial statements. The City could consider enhancing the payout provisions in a way that will assist employees with their future health care needs since the main reason employees choose not to retire is because they financially are not able to or cannot afford to continue health care coverage. These payouts could be developed to create a post-employment medical trust for the employee in which deposits are tax-free for both the employee and employer, is not considered income to the employee, and is to be used for medical expenses by the employee/qualified beneficiaries.

Retirement Contributions

In addition to the Alaska Public Employees Retirement System (PERS), the City currently offers a Deferred Compensation 457(b) voluntary retirement option for employees to enhance their financial portfolio based on their own contributions. The City does not offer any employee contribution to the 457(b) Plan. The Employer contribution to the PERS is vested after five (5) years.

Comparable organizations on the mainland report a deferred compensation employer match of up to 3% of employee gross wages. The City should consider an employer matching contribution to the Deferred Compensation as a means to be competitive with the northwestern part of the lower 48, which is a region that the City draws its human capital from. This would be a strong recruitment and retention tool.

Other Opportunities

Today's employees are looking at the "big picture" when assessing where they want to work. Often, it extends beyond the traditional areas of compensation and benefits. A Total Rewards model takes into account the fluidity of the relationship between compensation, benefits, work-life effectiveness, recognition, performance management, and talent development.

Well-being, or work-life effectiveness comes from a specific set of organizational practices, policies and programs plus a philosophy that actively supports efforts to help employees achieve success both at work and at home. This philosophy recognizes every worker's need to be appreciated as a contributor to the organization's success. Productivity is enhanced when the organization supports employees in their efforts to manage both work and personal responsibilities. This supportive environment leads to an improved ability to attract, motivate, engage and retain members of the workforce. The major areas to consider are how the City can support health and wellness, diversity, equity, and inclusion, workplace

flexibility, dependent care, financial support programs, community involvement programs, and culture change initiatives.

The following are considerations to enhance the City's current Total Rewards program to support employees at different phases of their life. The feasibility of the options must be analyzed by the City as a whole and are not immediate recommendations. Many of these are long-term opportunities to consider over the next several years. Although all of these benefits were not necessarily found in the comparable market, employers are considering these on a national level.

Flexible Work Options

The early period of the COVID pandemic forced every employer to develop alternative service delivery models, when possible, to keep operations going, while balancing the need for safety and human separation. Employers primarily utilized remote work options and flexible work options. Remote work is working in a location other than a traditional brick and mortar location. Flexible work involved scheduled work that may be outside normal business hours to accomplish the work, but not necessarily during normal business hours. Now over three (3) years later, although the traditional brick and mortar workplace has returned to pre-pandemic levels, the concept of remote work and flexible work options remains. Employees have been able to show that productivity can still occur in alternative work programs, and many desire this as a major benefit to help them maintain their work/life balance. This workplace impact is not temporary, and organizations that take this opportunity to change how they work should experience better employee engagement and retention than organizations that do not consider alternatives.

This is not to say that all positions can work from home. Remote work should continue to be determined on a position-by-position basis. Public-facing positions that serve constituents may feel they have fewer options, but the City could consider flexible work options for staff that would not need to decrease the level of service to constituents. After the City assesses the jobs that can feasibly work under a flexible work program, and what the criterion for coverage entails, the City can offer employees the opportunity to select a work schedule that works best for them, provided it continues to meet the needs of the organization. This could mean employees work a traditional 5x8 schedule, 4x10 schedule, or 4.5 days provided the coverage in each office is met so constituents have access to resources during normal business hours. A flexible work policy should outline the types of jobs eligible, performance eligibility, duration of time each work schedule is reviewed (so there is no assumption this is permanent), circumstances when adjustments may be required, and maintaining constituent satisfaction.

Volunteering Time-Off

Volunteer time-off is a paid leave system that allows employees to donate their time to local nonprofit organizations. Volunteer leave policies make an organization appealing to potential and existing employees who have a strong desire to give back to their community. In addition, this type of program allows employers to give back to their communities and nonprofits. Volunteer leave is when workers devote their leave period to charitable or community service activities. Some employers give their employees the freedom to choose where they want to spend their volunteer leave time, while others limit it to pre-approved locations. Volunteer time-off is typically 1-2 days per year.

Childcare Assistance

Childcare is one of the most expensive household expenses, and often is a barrier to employment for that reason. Offering a childcare discount can increase employee satisfaction and engagement and can be a major recruitment tool. The City could consider making pre-tax contributions to a Dependent Care Flexible Spending Account. Alternately, the City could consider a percentage, flat rate, or scholarship program to subsidize this expense.

Long Term Care Insurance

Long-term care (LTC) is different from traditional medical care. Long-term care goes beyond medical treatment and nursing care to helping people cope in the face of a chronic illness or disability. Long-term care provides support in performing everyday tasks. People need long-term care for a number of reasons, but often it is simply for the process of getting older. Long-term care services are typically needed by individuals unable to perform activities of daily living or who become cognitively impaired. As the City's workforce matures, there is a greater need for long-term care services which can be a significant financial burden without proper insurance coverage. Because this is a critical component to retirement planning, more employers nationally are offering LTC insurance programs and education.

529 College Savings Plan

A 529 plan is a tax-advantaged savings plan designed to help families save for college and a range of other qualified education expenses which is outlined in Section 529 of the Internal Revenue Code. This is a voluntary benefit option for the City to include in its benefits portfolio, while the preferred vendor works directly with the employee for enrollment and fund management.

Expanded EAP Services

Employee well-being is a tangible metric that has an impact on productivity and retention, and there is a need for ensuring sufficient services exist for employees. Standard Employee Assistance Programs typically provide free and confidential services to help deal with life's stresses. Expanded EAP Services provide assistance on a broader basis, to include services for the employees and their dependents, such as financial planning, credit counseling, estate planning, adoption assistance, wellness coaching, and assistance to find resources in the community for long term care needs, elder care support, etc. Often times, these expanded EAP services can provide literature, Lunch and Learn options, and even web or podcast access, etc.,

Talent Development

Training and professional development are critical elements that support sustaining a highly talented workforce. Offering ongoing training and professional development opportunities for all employees is critical so they may advance their skills and competencies in both their short- and long-term careers.

Talent development should be a shared responsibility by the City and employees. As an employer, the City must anticipate future workforce needs and provide training and learning opportunities to prepare employees for these roles. Employees should proactively take ownership of the development of their careers by knowing what skills and competencies are needed for advancement and actively seek out opportunities to gain them.

Strategically, each Department, with the support of Human Resources, should be identifying the skills, expertise, and competencies required for its current and future organizational needs so it can create training and development plans to prepare employees for higher level responsibilities and positions. Lack of career advancement opportunities or even training opportunities is often a consideration for recruitment and retention.

Because the City has training opportunities and education opportunities established, the City's primary opportunity is to identify and deploy training and development opportunities for employees to participate in on major topics that will mutually benefit multiple departments. An example is as follows:

1. Employee Track– topics relevant to all employees, including ethics, safety/defense topics, customer service, sexual harassment, discrimination, ADA, First Amendment with public employees, new software training, etc. These topics may rotate and evolve over time. Future topics desired by Department can be submitted for consideration/development.
2. Supervisory Management Track- basic employment law topics as previously identified plus FMLA, performance management, workplace documentation,

resolution dispute, motivating employees, diversity training, effective communication, having difficult conversations, goal setting, team building, etc. Although the employment law topics should be updated annually, all other topics may rotate and evolve over time. Future topics desired by Department can be submitted for consideration/development.

3. City Administrative Processes Track- budget development and monitoring, purchasing, recruitment process, records management, in-house software, etc.

In order to accomplish a comprehensive Citywide training program, sufficient staffing must exist within Human Resources. The best practices staffing ratio for HR to employee is 1.4 HR professionals for every 100 employees. A training program would need to have a dedicated HR professional assigned with additional responsibilities to supplement.

Employee Recognition

When employees feel valued at work, it typically increases engagement, satisfaction, and productivity. Recognition shows employees that they are valued by the organization. In order for that to be successful, recognition has to be done properly, and there isn't a one-size-fits-all approach. The City should look at its recognition programs to enhance this area. Some items for the City to consider when developing the program include:

- Be genuine and authentic.
- Make it personal.
- Recognize behavior and effort as well as achievement.
- Allow for peer recognition as well as supervisor recognition.
- Recognize employees in the way that they prefer to be recognized.

The purpose of a recognition program acknowledges the exceptional work of employees who are striving to exceed their employment goals by accomplishing assignments that go above and beyond their traditional work efforts. Recognition can be at the Committee or City Council level and can be recognized on the City website. Recognition does not need to be tied to compensation.

As an example, a recognition program can include (but not be limited to):

1. Demonstrated completion of innovative activities that result in economic savings for the Department/City.
2. Customer service enhancement, and/or elimination of duplicative or redundant manual service efforts.
3. Demonstrated customer service on a continual basis that exceeds City standards resulting in communication from community members acknowledging the employee's exceptional outreach and support.

4. Demonstrated commitment to the City's values such as conflict and difficulty concerning work-related matters that is constructively resolved for the good of all parties, including establishing and restoring long-term relationships with citizens.
5. Demonstrated acceptance of additional work assignments above and beyond the standard range of assigned duties, especially as the City experiences challenges and changing expectations of the community.
6. Demonstrated innovation in the use of technology/artificial intelligence and advanced resources to complete projects and services.

Appendix A: Integrated Salary Schedules

DEPARTMENT	DIVISION	JOB TITLE	EMPLOYEE GROUP	MIN RATE	MID RATE	MAX RATE
Admin	Admin	Admin Asst 2	TLE3	\$20.69	\$25.86	\$31.04
Admin	Admin	Administrative Specialist	TLE3	\$24.09	\$30.11	\$36.14
Admin	Admin	Risk Manager	TLE3	\$34.79	\$43.32	\$52.19
Admin	Admin	HR Manager	TLE3	\$36.88	\$47.94	\$59.29
Admin	Admin	Asst City Manager	TLE3	\$46.98	\$61.08	\$75.18
Clerks	Clerks	Deputy City Clerk	TLE3	\$28.62	\$35.78	\$42.93
Clerks	Clerks	City Clerk Admin Asst	UN04	\$32.78	\$35.82	\$39.15
Clerks	Clerks	City Clerk	TLE3	\$40.59	\$52.76	\$64.94
CMO	CMO	City Manager	TLE3	\$0.00	\$0.00	\$0.00
CMO	CMO	Admin Coordinator	TLE3	\$24.09	\$30.11	\$36.14
Finance	Finance	Project Mgmt. F/A Acct	TLE3	\$28.62	\$35.78	\$42.93
Finance	Finance	Admin Asst 2	UN04	\$28.70	\$31.36	\$34.27
Finance	Finance	Acct Asst 1 A/P	UN04	\$32.78	\$35.82	\$39.15
Finance	Finance	Acct Asst 1 A/R	UN04	\$32.78	\$35.82	\$39.15
Finance	Finance	Acct Asst 2 - Ports	UN04	\$35.70	\$39.01	\$42.63
Finance	Finance	Acct Asst 2 Payroll	UN04	\$35.70	\$39.01	\$42.63
Finance	Finance	Acct Asst 2 Utility	UN04	\$35.70	\$39.01	\$42.63
Finance	Finance	Controller	TLE3	\$38.73	\$50.34	\$61.96
Finance	Finance	Purchasing Agent	UN04	\$38.88	\$42.48	\$46.42
Finance	Finance	Senior Acct A/P	UN04	\$42.40	\$46.33	\$50.63
Finance	Finance	Senior Acct A/R	UN04	\$42.40	\$46.33	\$50.63
Finance	Finance	Finance Director	TLE3	\$44.75	\$58.18	\$71.59
Finance	IS	Network Administrator	TLE3	\$28.62	\$35.78	\$42.93
Finance	IS	Is Supervisor	TLE3	\$36.88	\$47.94	\$59.29
Finance	IS	Computer Specialist	UN04	\$38.88	\$42.48	\$46.42
Fire & EMS	Fire & EMS	Fire Fighter	UN02	\$37.17	\$44.39	\$53.00
Fire & EMS	Fire & EMS	Fire Captain	UN02	\$43.85	\$52.36	\$62.52
Fire & EMS	Fire & EMS	Fire Chief	TLE3	\$44.75	\$58.18	\$71.59
Parks/Culture/Rec	Aquatics Center	Lifeguard 1 - .23	TLE3	\$14.85	\$17.08	\$19.31
Parks/Culture/Rec	Aquatics Center	Head Lifeguard	TLE3	\$21.83	\$27.29	\$32.74
Parks/Culture/Rec	Community Center	Recreation Asst	UN05	\$27.04	\$31.35	\$35.29
Parks/Culture/Rec	Community Center	Recreation Asst .63	UN05	\$27.04	\$31.35	\$35.29
Parks/Culture/Rec	Aquatics Center	Aquatics Manager	TLE3	\$27.20	\$34.00	\$40.81
Parks/Culture/Rec	Community Center	PCR Operations Manager	TLE3	\$27.20	\$34.00	\$40.81
Parks/Culture/Rec	Library	Library Asst	UN05	\$27.48	\$31.86	\$35.86
Parks/Culture/Rec	Library	Library Asst .50	UN05	\$27.48	\$31.86	\$35.86
Parks/Culture/Rec	Library	Librarian	TLE3	\$31.56	\$39.44	\$47.33
Parks/Culture/Rec	Rec Programs	Recreation Manager	TLE3	\$31.56	\$39.44	\$47.33
Parks/Culture/Rec	Aquatics Center	Program Coordinator	UN05	\$31.72	\$36.77	\$41.39
Parks/Culture/Rec	Rec Programs	Program Coordinator	UN05	\$31.72	\$36.77	\$41.39
Parks/Culture/Rec	PCR Admin	PCR Director	TLE3	\$42.62	\$55.41	\$68.19
Planning	Planning	GIS Administrator	TLE3	\$28.62	\$35.78	\$42.93
Planning	Planning	Admin Asst 2	UN04	\$28.70	\$31.36	\$34.27
Planning	Planning	Associate Planner	TLE3	\$30.05	\$37.57	\$45.08
Planning	Planning	Planning Director	TLE3	\$42.62	\$55.41	\$68.19

Ports & Harbors	Ports Ops	Harbor Officer	UN03	\$26.18	\$31.29	\$37.38
Ports & Harbors	Ports Admin	Bill & Sched Clerk	UN03	\$26.67	\$31.88	\$38.09
Ports & Harbors	Ports Ops	Harbormaster	TLE3	\$35.12	\$45.66	\$56.20
Ports & Harbors	Ports Admin	Deputy Port Director	TLE3	\$38.73	\$50.34	\$61.96
Ports & Harbors	Ports Admin	Port Director	TLE3	\$44.75	\$58.18	\$71.59
Public Safety	Police & Admin	Animal Control Officer	UN02	\$22.95	\$27.40	\$32.72
Public Safety	Police & Admin	DPS Office Manager	TLE3	\$25.51	\$31.88	\$38.26
Public Safety	Police & Admin	DMV Agent	UN02	\$31.63	\$37.77	\$45.09
Public Safety	Communications	Comm Officer	UN02	\$31.92	\$38.11	\$45.51
Public Safety	Corrections	Corrections Officer	UN02	\$31.92	\$38.11	\$45.51
Public Safety	Corrections	Corrections Sergeant	UN02	\$35.83	\$42.78	\$51.09
Public Safety	Communications	Comm Sergeant	UN02	\$35.83	\$42.78	\$51.09
Public Safety	Police & Admin	Police Officer	UN02	\$37.17	\$44.39	\$53.00
Public Safety	Police & Admin	Police Investigator	UN02	\$38.30	\$45.73	\$54.60
Public Safety	Police & Admin	Deputy Police Chief	TLE3	\$38.73	\$50.34	\$61.96
Public Safety	Police & Admin	Police Sergeant	UN02	\$43.85	\$52.36	\$62.52
Public Safety	Police & Admin	Chief Of Police	TLE3	\$44.75	\$58.18	\$71.59
Public Utilities	Solid Waste	Solid Waste Operator I	UN01	\$30.40	\$33.22	\$36.30
Public Utilities	Wastewater	Wastewater OIT	UN01	\$31.29	\$34.19	\$37.36
Public Utilities	Water	Water OIT	UN01	\$31.29	\$34.19	\$37.36
Public Utilities	DPU Admin	Ww Lab Manager	TLE3	\$34.79	\$43.32	\$52.19
Public Utilities	Powerhouse	Power Plant Operator L	UN01	\$37.19	\$40.64	\$44.41
Public Utilities	Solid Waste	Solid Waste Operator II	UN01	\$37.19	\$40.64	\$44.41
Public Utilities	Wastewater	Wastewater Operator I	UN01	\$37.19	\$40.64	\$44.41
Public Utilities	Water	Water Operator I	UN01	\$37.19	\$40.64	\$44.41
Public Utilities	DPU Admin	Deputy DPU Director	TLE3	\$38.73	\$50.34	\$61.96
Public Utilities	Wastewater	Wastewater Operator II	UN01	\$40.00	\$43.71	\$47.77
Public Utilities	Water	Water Operator II	UN01	\$40.00	\$43.71	\$47.77
Public Utilities	Powerhouse	Equipment Mechanic - Heavy	UN01	\$42.77	\$46.74	\$51.07
Public Utilities	Powerhouse	Power Plant Operator II	UN01	\$42.77	\$46.74	\$51.07
Public Utilities	Solid Waste	Solid Waste Operator III	UN01	\$42.77	\$46.74	\$51.07
Public Utilities	Wastewater	Wastewater Operator III	UN01	\$43.83	\$47.90	\$52.34
Public Utilities	Water	Water Operator III	UN01	\$43.83	\$47.90	\$52.34
Public Utilities	Powerhouse	Power Plant Supervisor	UN01	\$44.52	\$48.65	\$53.16
Public Utilities	Solid Waste	Solid Waste Supervisor	UN01	\$44.52	\$48.65	\$53.16
Public Utilities	DPU Admin	DPU Director	TLE3	\$44.75	\$58.18	\$71.59
Public Utilities	Wastewater	Wastewater Supervisor	UN01	\$45.85	\$50.10	\$54.75
Public Utilities	Water	Water Supervisor	UN01	\$45.85	\$50.10	\$54.75
Public Utilities	Powerhouse	Electrical Engineering Tech.	UN01	\$49.62	\$54.22	\$59.25
Public Utilities	Powerhouse	Utility Lineman	UN01	\$60.95	\$66.60	\$72.78
Public Utilities	Powerhouse	Utility Lineman Chief	UN01	\$62.71	\$68.53	\$74.88
Public Works	Engineering & Admin	Administrative Asst. I	UN01	\$23.64	\$25.83	\$28.22
Public Works	Facilities Maintenance	Groundskeeper	UN01	\$22.60	\$24.70	\$26.99
Public Works	Engineering & Admin	Administrative Operations Manager	TLE3	\$25.51	\$31.88	\$38.26
Public Works	Engineering & Admin	DPW Engineering Tech	TLE3	\$28.62	\$35.78	\$42.93
Public Works	Engineering & Admin	Administrative Asst. II	UN01	\$28.70	\$31.36	\$34.27
Public Works	Facilities Maintenance	Maintenance Mechanic I	UN01	\$30.40	\$33.22	\$36.30
Public Works	Engineering & Admin	Data Specialist I	UN01	\$32.59	\$35.61	\$38.91
Public Works	Roads	Storekeeper I	UN01	\$33.18	\$36.26	\$39.62
Public Works	Engineering & Admin	Data Specialist II	UN01	\$33.84	\$36.97	\$40.40
Public Works	Facilities Maintenance	Maintenance Mechanic II	UN01	\$37.19	\$40.64	\$44.41
Public Works	Roads	Equipment Mechanic - Light	UN01	\$37.19	\$40.64	\$44.41
Public Works	Roads	Equipment Operator - Light	UN01	\$37.19	\$40.64	\$44.41

Public Works	Engineering & Admin	City Engineer	TLE3	\$38.73	\$50.34	\$61.96
Public Works	Supply	Supply Division Supervisor	UN01	\$39.00	\$42.62	\$46.57
Public Works	Facilities Maintenance	Installation Maintenance Worker	UN01	\$39.32	\$42.96	\$46.95
Public Works	Roads	Equipment Operator - Medium	UN01	\$39.32	\$42.96	\$46.95
Public Works	Vehicle Maintenance	Equipment Mechanic - Heavy Oiler	UN01	\$39.32	\$42.96	\$46.95
Public Works	Roads	Equipment Operator - Heavy	UN01	\$42.77	\$46.74	\$51.07
Public Works	Facilities Maintenance	Facilities Maintenance Manager	UN01	\$44.52	\$48.65	\$53.16
Public Works	Roads	Roads Chief	UN01	\$44.52	\$48.65	\$53.16
Public Works	Vehicle Maintenance	Maintenance Mechanic Chief	UN01	\$44.52	\$48.65	\$53.16
Public Works	Engineering & Admin	DPW Director	TLE3	\$44.75	\$58.18	\$71.59

Appendix B: Recommended 2024 Salary Schedule

Pay Grade	Title	Department	Minimum	Control Point	Maximum
100			\$22.82	\$25.10	
			\$47,465.60	\$52,208.00	
	Lifeguard	AQUATICS CENTER			
105			\$24.65	\$27.11	\$34.51
			\$51,272.00	\$56,388.80	\$71,780.80
	Administrative Assistant I Head Lifeguard	ANY AQUATICS CENTER			
110			\$35.24	\$38.76	\$49.34
			\$73,299.20	\$80,620.80	\$102,627.20
	Risk Assistant Administrative Assistant II Executive Assistant I	ADMINISTRATION ANY CITY MANAGER'S OFFICE			
115			\$38.05	\$41.86	\$53.27
			\$79,144.00	\$87,068.80	\$110,801.60
	Executive Assistant II	CITY MANAGER'S OFFICE			
120			\$41.10	\$45.21	\$57.54
			\$85,488.00	\$94,036.80	\$119,683.20
	Human Resources Specialist Assistant to the City Manager Office Manager Engineering Technician I Office Manager	ADMINISTRATION CITY MANAGER'S OFFICE ENGINEERING ENGINEERING POLICE			
125			\$44.39	\$48.83	\$62.15
			\$92,331.20	\$101,566.40	\$129,272.00
	Aquatics Manager Deputy City Clerk Engineering Technician II Associate Planner Planning & GIS Technician	AQUATICS CENTER CLERK ENGINEERING PLANNING PLANNING			
130			\$47.95	\$52.74	\$67.13
			\$99,736.00	\$109,699.20	\$139,630.40
	Business & Operations Manager Civil Engineer Librarian Planner Lab Coordinator	COMMUNITY CENTER OPERATIONS ENGINEERING LIBRARY PLANNING UTILITY ADMINISTRATION			
135			\$51.78	\$56.96	\$72.49
			\$107,702.40	\$118,476.80	\$150,779.20
	Project & F/A Accountant Network Administrator Senior Planner	FINANCE INFORMATION SYSTEMS PLANNING			
140			\$55.93	\$61.52	\$78.30
			\$116,334.40	\$127,961.60	\$162,864.00
	Risk Coordinator Human Resources Coordinator Project Manager - DPW Harbormaster Recreation Manager	ADMINISTRATION ADMINISTRATION ENGINEERING PORTS & HARBORS OPERATIONS RECREATION PROGRAMS			
145			\$60.40	\$66.44	\$84.56
			\$125,632.00	\$138,195.20	\$175,884.80
	Controller Deputy Port Director Deputy Utilities Director	FINANCE PORTS ADMINISTRATION UTILITY ADMINISTRATION			
150			\$65.24	\$71.76	\$91.34
			\$135,699.20	\$149,260.80	\$189,987.20
	Human Resources Manager IT Manager City Librarian	ADMINISTRATION INFORMATION SYSTEMS LIBRARY			
155			\$71.76	\$78.94	\$100.46
			\$149,260.80	\$164,195.20	\$208,956.80
	Human Resources Director City Clerk PRC Director Planning Director Deputy Police Chief	ADMINISTRATION CLERK PCR ADMINISTRATION PLANNING POLICE			

160			\$78.94	\$86.83	\$110.52
	Public Works Director	ENGINEERING	\$164,195.20	\$180,606.40	\$229,881.60
	Finance Director	FINANCE			
	Fire Chief	FIRE AND EMS			
	Police Chief	POLICE			
	Port Director	PORTS ADMINISTRATION			
	Utilities Director	UTILITY ADMINISTRATION			
165			\$86.83	\$95.51	\$121.56
	Deputy City Manager	ADMINISTRATION	\$180,606.40	\$198,660.80	\$252,844.80
170			\$95.51	\$105.06	\$133.71
	City Manager (REFERENCE)	CITY MANAGER'S OFFICE	\$198,660.80	\$218,524.80	\$278,116.80

Appendix C: Recommended Compensation Policy Guidelines

These guidelines are provided to the City to utilize in conjunction with the new compensation system. The City is recommended to assess these guideline recommendations.

New Hires

Employees start at the Minimum Rate of the Pay Grade if the employee has the minimum skills and abilities required in the job description. The hiring supervisor, with the approval of the Human Resources Director, can start experienced individuals up to the Control Point.

Cost of Living Adjustment

On January 1st of each year (or alternative date identified by the City), employees should receive cost of living adjustment equivalent to the percentage adjustment of the Salary Schedule.

Annual Merit/Performance Adjustment

On July 1st of each year, employees should receive an incremental merit increase based on performance. Employees on a Performance Improvement Plan will have their annual increase held until such time as performance improves, or when approved by the City Administrator.

Market Adjustments

Each budget cycle, Administration should evaluate the placement of current employees. If there is a shift in the market for a specific position, a Market Adjustment to those incumbent employees could be given, which would be an adjustment into the range. A market adjustment requires:

1. A documented and verified review of local comparables by the Human Resources Director or third-party consultant.
2. A consistent pattern of recruitment/retention concerns with isolated classifications, as verified by the City Manager or designee.

Promotions

An individual who moves to a position of a higher Pay Grade, will be placed at the Minimum Rate of the new salary range; OR the rate closest that provides a 5% increase, if over the Minimum Rate.

Demotions

There are a number of situations that can occur resulting in an employee's pay being lowered and the pay may not be within the established Salary Range. Dependent upon the circumstances, an individual's pay can be handled differently. It will be the responsibility of the Human Resources Director to determine the pay implications due to employee demotions. The following are suggested guidelines:

- A. Demotions that occur because of position changes and/or position consolidations (not based on the performance of the employee), the salary can be "red circled" and frozen at that level until the Salary Range of the new Pay Grade catches up to the employee's salary.
- B. Demotions that occur because the employee voluntarily applied for and accepted a position in a lower Pay Grade, the salary will be reduced within the new Salary Range as close to the current salary as possible. If the salary is above the new salary range, then treatment will be as described in "A" above.
- C. Demotion that is a result of the employee's performance, the employee's salary is decreased to a placement within the Salary Range of the new Pay Grade, as determined by the Human Resources Director. Demotions of this nature are rare circumstances.

Top of the Range

When an employee reaches the Market Rate of their Pay Grade, they will be eligible only for the cost-of-living Salary Schedule adjustments. Some employers see this as deterrent for tenured employees to continue to perform at the City's level of expectation. Therefore, the City may consider the option for employees who reach the Market Rate to receive the equivalent annual increase in the form of a lump-sum non-base building payment. This method of payment still provides additional compensation to an employee but does not compromise the Schedule.

Red Circle

When an employee has exceeded the Market Rate of their Pay Grade, they will not be eligible for any base building adjustments. The City may provide the employee with an equivalent lump-sum payment.

Position Pay Grade Changes

Pay Grades may change under the following circumstances:

A. Management request for a Pay Grade Evaluation

A Department Head may request a Pay Grade evaluation for any position in their Department, via procedures identified by the Human Resources Director. The request should be in writing, including job duty changes or other circumstances that have

precipitated the evaluation. This should include the old job description along with either a new job description or a document that illustrates the changes. It will be the responsibility of the Human Resources Director to determine if the position should be sent to the Consultants for evaluation. It should be noted that significant changes to a position's responsibility that could prompt reclassification should receive prior approval from the Human Resources Director in order to avoid unapproved position creep.

B. Administration Initiation of a Pay Grade Evaluation

City Administration may determine a position needs to be evaluated as a result of a City-initiated position and/or program changes, organizational structure changes, recurring minimal modifications to positions that over time may result in substantive change in a position, and recruitment or retention challenges.

If after a Pay Grade Evaluation, it is determined the employee's current salary is below the Minimum Rate of the new Pay Grade, the employee should be placed at the Minimum Rate of the new Pay Grade. If the current salary is within the new Salary Range, it will be at the discretion of the Human Resources Director as to whether any further adjustment occurs.

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-03

A RESOLUTION OF THE UNALASKA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH ELECTRIC POWER SYSTEMS, INC. IN AN AMOUNT NOT TO EXCEED \$130,000

WHEREAS, the City needs information about electric power generation sources to address future demand; and

WHEREAS, the City's electric rate utility consultant, Electric Power Systems Inc. (EPS) is very familiar with our generation and distribution systems; and

WHEREAS, EPS submitted a proposal to prepare a study of Unalaska's power generation options, distribution system readiness, and a variety of work required to provide the City recommendations for meeting future electric demands; and

WHEREAS, EPS needs to subcontract with other vendors to acquire expertise about permitting with the Environmental Protection Agency and others to understand opportunities and constraints; and

WHEREAS, the study proposal will cost up to \$130,000 to be paid from the electric proprietary fund.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council authorizes the City Manager to enter into an agreement with Electric Power Systems, Inc., for a cost not to exceed \$130,000, to be paid from the electric proprietary fund.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: William Homka, City Manager
Date: February 13, 2024
Re: Resolution 2024-03 Authorizing the City Manager to enter into a contract with Electric Power Solutions, Inc., in an amount not to exceed \$130,000

SUMMARY: The City of Unalaska needs a plan for power generation. The geothermal project timeline is delayed and the project is not scheduled to come online anytime soon. Trident Seafoods seeks 14MW of electric power for its new facility at the end of Captains Bay Road. We need an alternate plan to provide power.

PREVIOUS COUNCIL ACTION: None.

BACKGROUND: V3 Energy LLC completed a wind power study for Unalaska around the same time the OCCP geothermal power project began to take shape. V3's results indicated there is sufficient wind in Pyramid Valley to erect wind turbines that would each generate 1MW. We paused our interest in other sources of green energy after the geothermal project began to take shape.

Now we must evaluate our options for generating up to 15 MW of power in time to be a source for Trident Seafoods' new processing facility proposed at the end of Captains Bay Road. Even if geothermal was successful, the timeline does not line up with that for the facility's opening. We need a plan for the gap, or as the new generation source for Unalaska's future. We prefer green energy solutions, however we may need to pursue diesel generation too.

Electric Power Systems, Inc. (EPS) is the company who produced our past utility studies. EPS knows our generation and distribution systems and was contacted to provide assistance with analyzing how to move forward in light of Trident Seafoods' request for energy. The EPS proposal is for \$88,340. EPS needs to subcontract for additional services regarding air permit analysis. They propose to use HMS Consulting and the cost for their work is not included in the proposal, but they estimate the cost will be \$20,000 - \$30,000. I recommend the studies be paid from the Electric Proprietary Fund since it is about the electric grid and generation capabilities. The EPS proposal is attached.

DISCUSSION: The V3 study estimates the cost for wind turbines to range between \$9 million for one tower and \$40 million for five. There are a variety of system and construction variables. The City is eligible for carbon reduction credits worth about 40% of the total cost, or \$16 million. The credits would be a cash payment to the City. In effect we might be able to erect 5 MW of power for about \$24 million.

We do not know an estimated cost for the work to construct a new diesel generation plant. The proposed EPS study will offer options for conventional (fossil fuel) generation to existing resources at the Dutch Harbor Power Plant, in another location yet to be determined or a combination of the two.

In addition, a distribution load flow analysis will evaluate the suitability of the existing distribution system and determine if any upgrades may be required in conjunction with the proposed power source for the Trident load. This requires new air permits from the EPA, a load flow study to model Unalaska's existing electrical system, evaluation of energy storage systems, and site options among other study items.

City Council needs to authorize the City Manager to enter into a contract with EPS for an amount not to exceed \$130,000 to be paid from the electric proprietary fund. There are ample funds in the account.

ALTERNATIVES: Wind generation, combination of wind and diesel generation.

FINANCIAL IMPLICATIONS: The study may cost up to \$130,000 after EPS, HMM Consulting and other associated costs.

LEGAL: No legal review required.

CITY MANAGER RECOMMENDATION: Staff recommends approval of this resolution.

PROPOSED MOTION: I move to adopt Resolution 2024-03.

ATTACHMENT: EPS Proposal



January 17, 2024

Bil Homka
City of Unalaska
43 Raven Way
Unalaska, Alaska 99685
(907) 581 1251
bhomka@ci.unalaska.ak.us

**Subject: Proposal for Generation and Distribution Study for
Trident Seafoods Development**

Electric Power Systems (EPS) understands that Trident Seafoods intends to develop a new processing facility in Unalaska. This is a proposal to study options for adding 15MW of conventional (fossil fuel) generation to existing resources at the Dutch Harbor Power Plant (DHPP), in another location yet to be determined or a combination of the two. In addition, a distribution load flow analysis will evaluate the suitability of the existing distribution system and determine if any upgrades may be required in conjunction with the proposed power source for the Trident load.

Scope of Work

The final deliverable will be a report that covers the following topics.

Air Permitting Coordination

We acknowledge that Unalaska wishes to avoid triggering a PSD study caused by exceeding approved emissions limits. Assessing how much capacity can be added to DHPP without triggering a PSD study will require coordinating with Unalaska's air permitting consultants. EPS contacted HMH Consulting (HMH) during development of this proposal and understands that HMH has performed recent modeling for the City that will be applicable to this study. It is necessary that HMH is directly involved in the study to assess technical solutions proposed by the EPS team. The cost for HMH's involvement is excluded from this proposal - it is assumed that the City would prefer to contract directly through the existing service agreement between the City and HMH. However, if that is not the case, EPS can include the cost of HMH in our Scope of Work.

Load Flow Study

EPS will perform electrical studies to evaluate the infrastructure needs and impacts to the system of the Trident load. We understand the impacts of the Makushin interconnection have previously been studied and a plan has been proposed by the developer's engineer. EPS will model the City of Unalaska's electrical



system using ETAP software. Power flow studies will be performed to evaluate voltage regulation along with the ability of the system to adequately supply all the projected loads. The results of the power flow study will be used to assist with the evaluation of the new plant, planning for required upgrades and recommended operating configurations. If necessary, we can include the modeling of the Makushin project in this scope after we evaluate the proposed interconnection method and equipment.

Energy Storage Systems

It is expected that some type of Energy Storage Systems (ESS) will be included in the final solution. This could be in the form of a BESS or Flywheel, depending on the needs identified as part of this study. The market availability, cost, and numerous advantages of energy storage will make some level of energy storage worthwhile regardless of whether additional renewables are added to the system. In addition, ESS solutions are often the subject of federally funded grant opportunities.

DHPP Capacity Analysis

The study will seek to understand how much capacity can be gained at DHPP by lowering NOX emissions through unit replacements or SCR retrofits on existing units. Offsetting the need for new installations through retrofit of existing units has obvious cost and operational advantages. In addition, it may be the only viable pathway to increasing output without development of a new site that is physically removed from the boundaries of the Title V permit.

New Generation Options

Conventional reciprocating generation additions will be based on proven medium speed solutions such as the CAT C280 or the EMD 12SE23B. In addition, the project team will review the newer Wabtec V250MDC that has fewer proven operating hours, but some technical advantages. All options proposed will be T4 or T4i certified to allow the maximum capacity and future growth under existing emissions limits.

Depending on load profile and siting, Brayton Cycle turbine options may be suitable. Turbine options are inefficient when operating in a single-cycle mode, but can be economically viable when paired with large heating loads.

Based on the forecast load profile for the Trident plant, EPS will determine if the base load of the plant can be absorbed with existing generation and determine the impact of supplying only the peaking load with augmented generation.

Alternate Site Options

Alternate sites for power generation will be considered based on the City's input and resources. During conversations with HMM, they noted that there is an available emissions cap at the Valley Power Module and that additional emissions sources nearby would not trigger a PSD review at DHPP. This study will review that site and others to determine if future development is possible.



Cost Estimate

No.	Item	Hours	Labor	Subcontract, Expenses	Cost
1	Air Permit Coordination*	16	\$3,304	\$0	\$3,304
2	Load Flow Study	106	\$19,244	\$0	\$19,244
3	ESS Options	40	\$7,800	\$0	\$7,800
4	DHPP Capacity Analysis	56	\$12,184	\$0	\$12,184
5	New Generation Options	88	\$17,592	\$0	\$17,592
6	Alternate Site Options	96	\$18,144	\$0	\$18,144
7	ROM Cost Estimates	48	\$10,072	\$0	\$10,072
	Total:	450	\$88,340	\$0	\$88,340

*A subcontract to HMM Consulting is not included in this estimate. A recommended budget for air permit consulting is \$20,000 to \$30,000.

Assumptions and Clarifications

Site Visit

It is assumed that a site visit will not be required at this phase of the project.

Site-Specific Studies

As a result of this feasibility level study, EPS may recommend further geotechnical, civil, right of way, and environmental studies to further define costs and final selection. Fees for site investigations are not included in this proposal. For example, if a new generation plant to serve either the base load or peaking load of Trident, is the preferred solution, EPS would recommend and coordinate additional studies as needed to site and coordinate the feasibility development of the proposed plant(s).

Study Coordination

This study will require extensive involvement from the City and HMM consulting. EPS will schedule and host weekly update meetings for an estimated 8-week duration of the initial study.

Information Required to Complete the Study

To allow efficient and timely completion of the study, the following information will be required.

- Load profile estimate from Trident Seafoods with weekly averages.
- Estimate peak load and a daily load profile at an operational peak from Trident.
- Any additional loads being considered (additional processors, etc)

Please contact me at (907) 388-9554 or jrowland@epsinc.com if you have any questions.



Electric Power Systems, Inc.

3305 Arctic Blvd Suite 201 ■ Anchorage, Alaska 99503 ■ Tel: (907) 552-1953

Sincerely,

A handwritten signature in blue ink that reads "Jason Rowland".

Jason Rowland, PE
Sr. Mechanical Engineer

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-04

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE MAYOR'S APPOINTMENTS TO THE LIBRARY ADVISORY COMMITTEE; THE PARKS, CULTURE AND RECREATION COMMITTEE; THE PLANNING COMMISSION AND PLATTING BOARD; AND THE HISTORIC PRESERVATION COMMISSION

WHEREAS, terms of office have expired for members of the Library Advisory Committee; the Parks, Culture and Recreation Committee; the Planning Commission and Platting Board; and the Historic Preservation Commission, creating vacancies; and

WHEREAS, Unalaska City Code § 2.60.040 states that board members shall be appointed by the Mayor, subject to approval of the City Council; and

WHEREAS, Mayor Tutiakoff has made the following appointments, and submits these names to the City Council for approval:

LIBRARY ADVISORY COMMITTEE

M. Lynn Crane
Catherine Hazen
Karen Macke
Ellis Berry (to complete the term ending on February 13, 2025)

PARKS, CULTURE & RECREATION COMMITTEE

Noel Rea
Benjamin L. Knowles

PLANNING COMMISSION AND PLATTING BOARD; and
HISTORIC PRESERVATION COMMISSION

Caroline Sue "Vickie" Shapsnikoff Williams

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council approves the Mayor's appointments, which are all three-year terms beginning February 15, 2024 and ending on February 14, 2027.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Estkarlen P. Magdaong, City Clerk
Through: Marjie Veeder, Assistant City Manager
Date: February 13, 2024
Re: Resolution 2024-04: Approving the Mayor's Appointments to the Library Advisory Committee, the PCR Committee, the Planning Commission and the Historic Preservation Commission

SUMMARY: Members of committees and commissions are appointed by the Mayor, subject to approval of the City Council. The Mayor made several appointments, which are being presented to Council for approval. Passage of Resolution 2024-04 accomplishes this objective.

PREVIOUS COUNCIL ACTION: Council is provided the opportunity to approve the Mayor's appointments to committees and commissions annually, or as vacancies and appointments occur throughout the year.

BACKGROUND and DISCUSSION:

- Library Advisory Committee – the terms of office for M. Lynn Crane, Catherine Hazen and Karen Macke have expired. There is a one vacancy available as a previous committee member resigned due to becoming a full-time employee at the Library. This vacant seat's term will expire on February 2025. Ellis Berry applied to fill this board vacancy.
- PCR Committee – the terms of office for Noel Rea and Benjamin Knowles have expired.
- Planning Commission; Platting Board and Historic Preservation Commission – the term of office for Caroline Sue "Vickie" Shapsnikoff Williams has expired.

All members listed above applied to retain their seats; and the Mayor has reappointed them all.

ALTERNATIVES: Council may choose not to approve the Mayor's appointments, in which case the vacancies will be advertised and interested persons encouraged to apply.

STAFF RECOMMENDATION: None. This is a Council decision.

PROPOSED MOTION: I move to adopt Resolution 2024-04.

ATTACHMENTS: Applications submitted



BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: M. Lynn Crane

Mailing Address: PO Box 626 Unalaska, AK 99685

Telephone: 907-581-1500 Email: usafved@arctic.net

Occupation: Non Profit Director Employer: USAFV

Previous Board/Committee/Commission Experience (attach additional pages if necessary):

Library Advisory Committee Charter Member

IFHS Board

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: I believe the Unalaska Public Library to be one of the most important institutions in our community, and that libraries in general are the cornerstone of democracy. I want to participate as the library continues to evolve to meet the changing needs of Unalaska.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other Current member

Date: 01/18/24

Signature: M. Lynn Crane

Digitally signed by M. Lynn Crane
Date: 2024.01.18 09:35:55 -09'00'

THANK YOU FOR YOUR INTEREST IN SERVING

Applications expire one year from date received by City Clerk

Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685

RECEIVED
JAN 25 2024
BY: _____



BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: Catherine Hazen

Mailing Address: Po Box 3810 Unalaska

Telephone: 907 359 2711 Email: cshazen@arctic.net

Occupation: Retired Employer: _____

Previous Board/Committee/Commission Experience (attach additional pages if necessary):

10 years on the Library Advisory Committee

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: 40 years of

administrative and budgeting experience, including 23 years in municipal government. Currently the only representative of the senior citizen/retiree segment of the community on the board.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other Current term expiring

Date: 1/25/24

Signature: _____

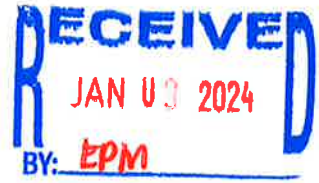
THANK YOU FOR YOUR INTEREST IN SERVING

Applications expire one year from date received by City Clerk

Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685



BOARD, COMMITTEE & COMMISSION APPLICATION



APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: Karen Macke

Mailing Address: P.O. Box 1382, Unalaska, AK 99685

Telephone: 907-359-1607

Email: k.macke@outlook.com

Occupation: Firefighter

Employer: City of Unalaska

Previous Board/Committee/Commission Experience (attach additional pages if necessary):

Library Advisory Committee (2021-Present) ; Alaska State Firefighter Association

Unalaska Chapter (2021-2023 Vice President; 2023-Present Seat A)

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: I have taken previous courses in library sciences and archive management and believe my expertise will be helpful to the committee. Additionally I have enjoyed my last term with the committee and would love to further the experience.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other Previous member

Date: 01/08/2024


Signature: _____

THANK YOU FOR YOUR INTEREST IN SERVING

Applications expire one year from date received by City Clerk

Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685

KAREN MACKE

907-359-1607 

k.macke@outlook.com 

Firefighter

P.O. Box 1382, Unalaska, AK 99685 

SUMMARY

Highly motivated and professional Temporary Firefighter with the City of Unalaska dedicated to providing exceptional and compassionate customer service. Skilled in providing aid effectively in a high-stress situation. Effective at quickly assessing situations and responding with solutions. Possess exceptional communication and interpersonal skills with a proven ability to work independently and as part of a team.

EDUCATION

University of Toronto

Masters in Museum Studies
Masters of Information (Archives and Records Management)
2017-2020

Ithaca College

Bachelor of Arts - History
2013-2017

SKILLS

- Maintaining, inspecting, and cleaning apparatus, tools, and equipment
- Exceptional communication and interpersonal skills
- Knowledge of basic portable radio operations
- Detail-oriented and able to handle multiple tasks simultaneously
- Ability to complete reports and collect data
- Knowledge of Firefighting and EMS procedures and techniques

CERTIFICATIONS

- Alaska EMT I
- NIMS ICS 100, 200, 700, & 800
- Basic Life Support Certification

PROFESSIONAL EXPERIENCE

Firefighter

Unalaska Fire Department | September 2023 - Present

- Responds to emergency medical calls to perform medical aid and other emergency medical services
- Protects life and property at fire incidents
- Completes inspection, maintenance, and reports for tools, apparatuses, and equipment ensuring their successful operation
- Assists with pre-incident plans for businesses within the community
- Appropriately handles confidential information and documents in accordance to HIPAA
- Completes community outreach through CPR classes and community events
- Maintains operations by following policies and procedures, reporting needed changes

Collections Manager

Museum of the Aleutians | 2020 - October 2023

- Responsible for care and maintenance of Museum's Collections
- Responsible for the accurate and thorough cataloging of previous and current donations
- Completes inventories, cataloging, and condition reports
- Maintains data entry, reports, and legal files for all donations
- Responsible for grant writing, data management, project management, and other administrative tasks
- Supervises and provides training for Collections staff

Volunteer Firefighter

Unalaska Fire Department | 2021 - February 2023

- Responded to emergency medical situations
- Responded to emergency fire and rescue situations
- Attended weekly training to continue education in EMS/Fire
- Awarded Unalaska Volunteer EMT of the Year - 2022



BOARD, COMMITTEE & COMMISSION APPLICATION

RECEIVED
FEB 09 2024
BY: EPM

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: ELLIS BERRY

Mailing Address: PO BOX 1384, UNALASKA, AK 99685

Telephone: (907) 359-5872 Email: ELLISBERRY@PROTONMAIL.COM

Occupation: SOFTWARE DEVELOPER Employer: CVS HEALTH

Previous Board/Committee/Commission Experience (attach additional pages if necessary):
NONE

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: EVERYWHERE I'VE LIVED THE LIBRARY HAS BEEN AN IMPORTANT PART OF THE LOCAL COMMUNITY AND A PLACE I VISIT FREQUENTLY. JOINING THE BOARD WOULD BE A SMALL WAY I COULD HELP OUT AND BE CIVILLY ENGAGED.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other _____

Date: FEB 7, 2024

Signature: 

THANK YOU FOR YOUR INTEREST IN SERVING
Applications expire one year from date received by City Clerk
Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685



BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: Noel Rea

Mailing Address: PO box 55

Telephone: (907) 305-1035 Email: noelrea2020@gmail.com

Occupation: Healthcare Employer: IFHS

Previous Board/Committee/Commission Experience (attach additional pages if necessary):

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: _____

I love working on the board and want to continue.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other _____

Date: 12/19/23

Signature: 

THANK YOU FOR YOUR INTEREST IN SERVING
Applications expire one year from date received by City Clerk
 Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
 Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685



BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: Benjamin L. Knowles

Mailing Address: P.O. Box 920213 Dutch Harbor, Alaska 99692

Telephone: 907-359-4369 Email: bknowles@ci.unalaska.ak.us

Occupation: Fire Chief Employer: City of Unalaska

Previous Board/Committee/Commission Experience (attach additional pages if necessary):
Alaska Fire Standards Council, Alaska Fire Chiefs Association, Alaska Council on Emergency Medical Services
State of Alaska Emergency Response Commission, Aleutian Pribilof Local Emergency Planning Commission
Iliuliuk Family And Heath Services, Board of Directors, City of Unalaska Parks, Culture & Recreation Advisory Committee

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: With the Master plan coming up for the PCR have a lot of vested interests in being a part of that for my kids and our community.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation
- Other _____

Date: 01/22/2024

Signature: 

THANK YOU FOR YOUR INTEREST IN SERVING
Applications expire one year from date received by City Clerk
 Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
 Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685



RECEIVED
JAN 12 2024
By: Clerk AA

BOARD, COMMITTEE & COMMISSION APPLICATION

APPLYING FOR (check one):

- Planning Commission, Platting Board and Historic Preservation Commission
- Parks, Culture & Recreation Committee
- Library Advisory Committee
- Museum of the Aleutians Board of Directors
- Iliuliuk Family & Health Services Clinic Board

Name: Caroline Sue Shapsnikoff Williams

Mailing Address: P.O. Box 186 Unalaska, AK, 99685

Telephone: 907-581-6905 or 907-359-1233 Email: N/A

Occupation: Disabled Employer: N/A

Previous Board/Committee/Commission Experience (attach additional pages if necessary):
I Am also on the Tribal Board Right Now.

Check the primary reason(s) for your interest:

- I am a returning board, committee or commission member whose term recently expired.
- I have expertise I want to contribute.
- I am interested in the activities the board, committee or commission handles.
- I want to participate in local government.
- I want to make sure my segment of the community is represented.
- Other _____

Please explain in greater detail the reasons you checked above: I like helping to see this town grow and also watch over the native part of this town.

It is suggested you attach an outline of your education, work and volunteer experience, and other interests.

How did you learn of this vacancy (please check one):

- Media
- Word of Mouth
- Solicitation

Other I AM STILL on the Board for now

Date: 1-12-2024

Signature: Caroline Sue Shapsnikoff Williams

THANK YOU FOR YOUR INTEREST IN SERVING
Applications expire one year from date received by City Clerk
Please return completed Application to the City Clerk's Office in City Hall, 43 Raven Way, Unalaska
Or mail to City Clerk, City of Unalaska, P. O. Box 610, Unalaska, AK 99685

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION 2024-05

A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S GOALS FOR THE FY25 BUDGET

WHEREAS, budget guidelines help to ensure that the budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council has discussed and selected the attached set of budget goals for FY25; and

WHEREAS, management will utilize the adopted goals as guidelines when developing the FY25 budget.

NOW THEREFORE BE IT RESOLVED that the Unalaska City Council adopts the attached goals as a guideline for developing the FY25 budget.

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on February 13, 2024.

Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:

Estkarlen P. Magdaong
City Clerk

**CITY COUNCIL
FY25 BUDGET GOALS**

Personnel Goals

The FY24 budget included 171.96 full-time equivalent (FTE) positions. Any proposed increase to the total number of full-time equivalent (FTE) positions will be fully evaluated and justified during the budget approval work sessions.

The FY25 goal represents no change from the approved FY 2024 budget goal.

General Fund Surplus/Deficit

The General Fund operations will be budgeted without a deficit. The Council may appropriate additional funds from surplus to cover costs of capital projects.

The FY25 goal represents no change from the approved FY 2024 budget goal.

Proprietary Funding

Staff will continue to seek ways to balance budgets in the proprietary funds.

The FY25 goal represents no change from the approved FY 2024 budget goal.

Operating Expenses

The City Manager's proposed FY25 General Fund budget shall not increase more than 5% percent for non-personnel expenditures.

The total amount available to fund the Community Support Program grants will continue to follow the formula of up to 3.5% of the five-year average revenue for the General Fund and up to all of the Bed Tax Fund balance for the most recently completed fiscal year. Additionally, all of the tobacco excise tax fund balance for the most recently completed fiscal year may be used for any public health programs or tobacco education and cessation programs that are applied for through the Community Support Grant Program. (Revenues do not include Other Financing Sources.)

City management shall continue to examine ways to reduce expenditures without significantly impacting the level and quality of services to the public.

City management shall continue to examine ways to reduce inventory without significantly impacting the level and quality of services to the public.

The FY24 goal was 3-5% increase; the FY25 goal is that the operating expenses shall not increase more than 5% over the prior year.

Capital Projects

New capital assets or maintenance of existing capital assets will be limited to projects approved by Council in the CMMP, which will include projects that are mandated or required by statute, projects that maintain our existing infrastructure, projects that address life, safety, or health issues, and projects that support the economic development of Unalaska.

The replacement and maintenance plans for all existing capital assets will be reviewed annually.

The vehicle and heavy equipment fleet requirements will be reviewed annually and reduced where appropriate without significantly impacting services provided to the public.

The FY25 goal represents no change from the approved FY 2024 budget goal.

Revenues

Proprietary Fund rate studies will be completed every three years and presented to council.

The mil rate will be reviewed annually to establish an appropriate mil rate to maintain infrastructure and operations.

The FY25 goal represents no change from the approved FY 2024 budget goal.

Debt Service

The City will not incur new debt without appropriate analysis to show impacts to rates or taxpayers, and will not incur new debt unless the capital asset is eligible for a debt reimbursement program; is mandated by State or Federal government; or is needed to address life, safety or health issues.

The City may incur debt for its Proprietary Funds provided there is a documented plan to pay the debt through rate adjustments.

The FY25 goal represents no change from the approved FY 2024 budget goal.

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Patricia Soule, Finance Director
Through: William Homka, City Manager
Date: February 13, 2024
Re: Resolution 2024-05: Approving the Council's Goals for the FY25 Budget

SUMMARY: This memo provides information regarding recommended FY25 Budget Goals. The FY25 Budget Goals are attached to the resolution and will be utilized to help direct the preparation of the budget once approved. Resolution 2024-05 formally adopts these budget goals. Staff recommends approval.

PREVIOUS COUNCIL ACTION: The City Council has reviewed budget goals at the beginning of each budget cycle since about 2002. City Council will discuss FY25 Budget goals during a work session at the February 13, 2024 Council meeting; and the resolution is up for adoption.

BACKGROUND: Much of what we do as a municipal government is legislatively or code driven. City staff will continue seek ways to perform our services to the community more efficiently, in an effort to reduce costs and increase our effectiveness.

DISCUSSION: The City Council Goals for the FY25 Budget are attached. Staff are addressing the following key points on various issues impacting the budget goals:

Personnel: In FY24, Council authorized a total of 172.21 full time equivalent (FTE) employees. Administration will have a more detailed discussion with the Council during the budget presentation regarding approval for any proposed new positions.

General Fund Surplus/Deficit: Staff will work to develop a budget in which the General Fund will operate without a deficit. To accomplish this, and other related Council Budget Goals, Directors are working to limit increases to no more than 5%.

Proprietary Funds: Staff will continue to review operating expenditures so as to budget and operate at a break-even point. However, increased revenue is most likely the only way proprietary fund budgets will operate without a deficit in the near term. City owned housing is used as an incentive for recruitment and retention, therefore, while we conservatively budget operations and renovations, a gap in funding will continue. In addition, the cost to operate the airport continues to increase faster than the revenue gains.

Operating Expenses: Although the goal is set at a maximum increase of 5% for non-personnel expenses, the Directors will prepare their proposed budgets understanding any non-personnel increases will have to be justified and evaluated to ensure that the level and quality of services to the public is maintained or improved. Certain departments may request one-time increases in order to purchase items that do not qualify as a capital purchase, but would otherwise not be purchased at their existing operating budget levels.

As described in the previous goal, this will be the fourth year in a row where staff has been charged with reducing costs wherever possible, while at the same time striving to maintain the level of

service the community has come to know and expect. Staff has been able to do so while also experiencing an overall rise in prices of goods and services. The 5% increase in this goal is related to inflation. Generally speaking, our operating budgets have not, and are not this year, fully accounting for inflation.

Capital Projects: The CMMP is currently being developed. A presentation of the initial draft projects was presented January 23rd. The draft CMMP will be discussed again on March 26th.

Revenues: Projected FY25 General Fund revenues are being presented tonight. Council considers the property tax millage rate annually as part of the budget process. Projected revenues for the Proprietary Funds will be presented along with the draft budget later in the budgeting process.

Debt Service: As Council is aware, the City has incurred debt in the Ports Fund for the UMC, Positions 3 and 4.

ALTERNATIVES: Various alternatives exist. As Staff traverses the budget process we will seek ways to perform our work more efficiently in an effort to reduce costs and increase our effectiveness.

FINANCIAL IMPLICATIONS: Financial implications will be brought forward during the budget presentations.

LEGAL: None.

STAFF RECOMMENDATION: Staff recommends approval of the FY25 Budget Goals through adoption of Resolution 2024-05.

PROPOSED MOTION: I move to adopt Resolution 2024-05.

CITY MANAGER COMMENTS: I support Staff's Recommendation.