



General Manager  
334 Front Street  
Ketchikan, AK 99901

Phone (907) 228-5603  
Fax (907) 225-5075

# KPU Budget Update No. 9

## TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: December 16, 2021

RE: **2021 Ketchikan Public Utilities Operating and Capital Budget Update No. 9 – Electric Division Personnel Services & Training Increase**

The motion detailed below was prepared at the request of Finance Director Michelle Johansen, who asked that it be placed before the City Council for consideration at its meeting of December 16, 2021. If adopted, the motion provides for amending the 2022 Ketchikan Public Utilities Operating and Capital Budget to reflect the addition of two (2.0) fulltime Electric System Dispatchers for the Electric Division. This will require an additional \$266,786 for the division's personnel services and benefits accounts as well as an additional \$12,000 for the Travel and Training account (Account No. 600.02) and \$10,000 for the Training and Education account (Account No. 600.03) to fund the necessary training and education.

The rationale for the motion is detailed in Electric Division Manager Andy Donato and Electric System Engineering Manager Jeremy Bynum's attached transmittal memorandum. As the City Council will recall, staff introduced the critical need for more Electric System Dispatch staff at the special budget meeting of December 13, 2021 and in advance of anticipated retirements. I concur with the recommendations of the Electric Division Manager, Electric System Engineering Manager and Finance Director.

Ms. Johansen, Mr. Donato, and Mr. Bynum will attend the City Council meeting of December 16, 2021, in order to address any questions and/or concerns that Councilmembers may have.

### **RECOMMENDATION**

It is recommended the City Council adopt the motion amending the 2022 Ketchikan Public Utilities Operating and Capital Budget increasing the Electric Division's Travel for Training Account (600.02) in the amount of \$12,000, the Training and Education Account (600.03) in the amount of \$10,000 and the personnel services accounts as identified in the Finance Director's report dated December 16, 2021.

**Recommended Motion:** I move that the City Council amend the 2022 Ketchikan Public Utilities Operating and Capital Budget increasing the Electric Division's Travel for Training Account (600.02) in the amount of \$12,000, the Training and Education Account (600.03) in the amount of \$10,000 and the personnel services accounts as identified in the Finance Director's report dated December 16, 2021.

**MEMORANDUM**  
**CITY OF KETCHIKAN, ALASKA**  
**Finance Department**  
*Office of the Finance Director*

*Michelle L. Johansen, Finance Director*  
*Camille Nelson, Financial Analyst*  
*Phone: (907) 228-5621*  
*Facsimile: (907) 228-5617*

TO: Lacey G. Simpson, City Manager/KPU General Manager

FROM: Michelle L. Johansen, Finance Director

DATE: December 16, 2021

**SUBJECT: 2022 KPU Budget Update No. 9: Electric Division Personnel Services & Training Increase**

The Electric Division is requesting two additional Electric System Dispatchers. If the Council desires to add two positions to the Electric Division the 2022 KPU Operating and Capital Budget would need to be amended.

Electric Division System Dispatcher position is currently listed in the Electric Divisions' budget at 3.0 FTE's. This budget update would increase the FTE's from 3.0 to 5.0 and increase personnel services accounts as follows:

<b>Account Number</b>	<b>Account Description</b>	<b>Amount</b>
500.01	Regular Salaries and Wages	\$167,500
505.00	Payroll Taxes	12,814
506.00	Pension	26,166
507.00	Health Insurance	51,578
507.30	Workers Compensation	4,272
508.00	Other Benefits	4,456
	<b>TOTAL</b>	<u><u>\$266,786</u></u>

As mentioned in the Electric Division's memorandum having adequate staff is critical to their operations. If the two additional positions are approved it will also be necessary to increase the Electric Division's Travel and Training accounts. The Electric Division is asking to increase the Travel for Training Account 600.02 in the amount of \$12,000 and the Training and Education Account 600.03 in the amount of \$10,000

A motion has been prepared for Council consideration.

**Motion:**

I move that the City Council amend the 2022 Ketchikan Public Utilities Operating and Capital Budget increasing the Electric Division's Travel for Training Account (600.02) in the amount of \$12,000, the Training and Education Account (600.03) in the amount of \$10,000 and the personnel services accounts as identified in the Finance Director's report dated December 16, 2021.



Electric Division  
1065 Fair Street  
Ketchikan, AK 99901

Phone: (907) 225-5505  
Fax: (907) 247-0755

## TRANSMITTAL MEMORANDUM

**TO:** Lacey Simpson, Acting KPU General Manager

**FROM:** Andy Donato, KPU Electric Division Manager  
Jeremy Bynum, Electric System Engineering Manager

**DATE:** December 15, 2021

**SUBJECT:** System Dispatcher Overlap and Training – Request for Personnel

As presented to the City Council at the meeting of December 13, 2021, the Electric Division has critical positions currently eligible for retirement; identified are four-of-four System Dispatchers (Operators) who oversee and control the KPU electric system twenty-four (24) hours a day, three hundred sixty-five (365) days a year.

Operators are critical for safe and reliable operation of the electric system and they are difficult to recruit. These are highly responsible positions requiring extensive training before they can work effectively unsupervised. Past practice has shown that six months, at minimum, of side-by-side training with an experienced Operator is necessary. The pending retirements and extended training time makes the practice of holding or freezing a department full-time equivalent (FTE) count and initiating recruitment/replacement only after the position is vacant, undesirable.

It is recommendation at this time to expand the FTE count by two (2), immediately recruit for additional Operators, and start system orientation as soon as possible. The increase would stay in effect until the staffing concern is resolved. The additional estimated annual cost per FTE is \$83,750 for wages and \$49,643 for benefits, a total of \$266,786. Along with the addition of two (2) FTEs, an increase in training and travel will be required to ensure a successful transition period.

### **Recommendation:**

It is recommended that the City Council authorize an increase in the System Dispatcher personnel FTE counts by two (2); approve a funding increase to the Personnel Services and Benefits accounts by \$266,786 to cover the cost of the additional FTE increase; approve a funding increase in Account 600.02 Travel-Training from \$10,000 to \$22,000, an increase of \$12,000; approve a funding increase in Account 600.03 Travel-Training and Education from \$15,000 to \$25,000, an increase of \$10,000. This recommendation will ensure KPU has adequate personnel for future operations, needed funding for training travel, and proper training resources available.

Cc: Marie Miller, Human Resources Manager  
Michelle Johansen, Finance Director  
Mark Adams, Electric Division Operations Manager  
Diane Bixby, Administrative Assistant