



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Keith Brady, Municipal Administrator

Date: 4/5/18

Subject: \$1 Million Operations Decrements

In an effort to make \$1 million in decrements to operations in the general fund and relay the impacts on services, I have broken down the general fund into four divisions: Administration, Public Works, Public Safety, and Public Services.

Administration includes the administrator, human resources, community affairs, legal, clerk, finance, information technology, assessing, and planning.

Public Works includes public works administration, engineering, streets, parks & recreation, and buildings.

Public safety includes fire and police.

Public service includes the library and Harrigan Centennial Hall.

There are a couple of different ways to look at this. If it were to be done equitably amongst all the general fund services decrementing could be broken down according to full-time equivalents: \$285,714 from administration, \$183,674 from public works, \$408,162 from public safety, and \$122,450 from public service.

Or, if it were broken down according to cost of salary and benefits per division: \$301,000 from administration, \$200,000 from public works, \$413,000 from public safety, and \$86,000 from public services.

Another way, is to look at the list that the Citizens Task Force put together through a very public and exhaustive analysis after listening to many of the directors regarding all services that are provided to the city. The Task Force listed several areas in the general fund and labeled them either core infrastructure/public safety, core regulatory, or core community values. The ones that were not listed as core infrastructure, safety, or regulatory were the annual nonprofit grant support, SEDA, historical museum, the Ride, chamber visitors bureau, senior citizen center, search and rescue, parks and recreation, the library, and Harrigan Centennial Hall.

I have used the stated above methods as a basis for ramification on operations and services.

Administration (Decrements of \$285,714 - \$301,000)

Decrement	Cost
2 FTE:	\$112,783 average of each FTE
Travel & Training	\$10,200

There would have a significant reduction in the ability to track, calculate, and analyze data in a timely manner. Part of administration is revenue collection, a reduction here would put us further behind, especially in assessing. The inequity we currently have in assessed value of properties should be unacceptable.

There could be a limit to our ability to audit tax remittance. There is an increased risk of audit findings thus jeopardizing grant funding. There could be an increase in backlog and wait time to receive a conditional use permit, as there has been an increase load in permit applications, and business registration approvals, thereby slowing economic development. There could be a further reduction in time when the utility desk is open. Phone calls would go to voicemail. Preparation of meeting minutes could be reduced to cursory notes only. Elimination of utility payment plans.

Public Works (Decrements of \$183,674 - \$200,000)

Decrement	Cost
2 FTE:	\$116,506 average of each FTE
Travel & Training	\$10,000

Grounds maintenance could be reduced to just focus on downtown. Other grounds such as ballfields and other ancillary areas would be maintained as there were time to do so.

There could be a reduction in road maintenance, pot holes filling, dust control, street sweeping, snow plowing, gravel road grading, brush trimming in right-of-ways. Reduced road repair and repaving program. Increased number of roads returned to gravel. SSD will be impacted as well through a reduction in services to grounds, roads and buildings.

Building permits could take longer, also slowing economic development. A reduction in personnel is compounded with a delay in capital projects.

Public Safety (Decrements of \$413,000 - \$408,162)

Decrement	Cost
4 FTE:	\$109,653 average of each FTE

Travel & Training	\$8500
-------------------	--------

A reduction of FTEs historically increases overtime costs. However, even a reduction in overtime, and/or temp costs would increase the emergency response time that police, fire, EMS or SAR could respond. Usually, seconds count in life threatening situations. No overtime also has a cumulative effect on vacation and training often resulting in turn over and higher personnel cost. A reduction of personnel could mean that no police are covering patrol at certain times of the day. Lack of operations affects the training of 120 emergency service volunteers. A house fire triples in size every minute, if the fire hall went to all volunteers there is no guarantee that any would show up. This comes at a cost of safety for citizens and our emergency responders.

A reduction or removal of animal control would mean that a patrol officer would have to get to the problem when they could.

Public Service (Decrements of \$122,450 - \$86,000)

Decrement	Cost
2 FTE:	\$75,351 average of each FTE

Library and Harrigan Centennial Hall would have to reduce hours. Currently, the library is not open on Sunday. Not hiring a part-time staff position at the library would potentially close the library for another full day.

HCH might have to close at 6 PM and close on Saturday and Sunday, offering services at a premium for afterhours. Assembly meetings may need to be held from 1 to 5 PM. We could also look at privatizing the operations at HCH, but by privatizing, the cost to use the facilities would probably go up.

Other Ideas

Decrements	Total Cost	Ramifications
Janitorial Contact for 4 buildings	\$143,500	Could be reduced to daily bathrooms and common areas. Public restrooms wouldn't be cleaned or stocked as often.
Plants, Soil, Seeds, Fertilizer, mulch, fences	\$33,000	Reduction in the beauty of the town. Lawn and ballfield maintenance reduction.
Publication/Advertising	\$45,800	All publications, unless legally required, could be put just online. Jobs, announcements, notices, bids, agendas, etc.
Assembly Meetings Broadcasting	\$9000	Assembly meetings would not be broadcast on tv.

General Supplies	\$43,600	A reduction in supplies or materials lessens the efficiency and productivity of staff.
Granicus	\$14,000	Agenda documents and packet could be created as a pdf and posted on the city website. The audio could be posted city website. May increase staff time to produce.
Temporary Employment	\$411,000	Projects would slow down and grounds would become unkempt.

General Concerns:

The largest cost to the operational budget is personnel wages and benefits. A reduction in FTEs usually results in more money budgeted for temporary employees. Materials in operations are low cost to the budget but are required for staff to do their job. Taking away materials from operations would mean that staff would have nothing or little to do or work with, examples are above.

A reduction in community safety, and aesthetic of Sitka reduces the attraction of the city for locals, tourism, and future economic growth.

General Concerns: Increased turnover and less skilled workforce

Overall, services would slow down and the backlog would grow. With the incredible staff that we have, they would feel compelled to work harder and longer; in turn creating burnout and turnover with the feeling of unsatisfactory work environment, unbalanced home life, and resentment toward the organization. Instead of having a walk-in policy we would go to appointment only, becoming inconvenient to the public.

At current staffing levels we are more reactive than proactive. All staff wants to be more proactive in what we do. We want to think through things critically and make sure that we've exhausted all possibilities thinking about the future of Sitka with emergency and master planning, and develop land and economic development plans.

Collective bargaining continues to hamper the way we can strive to save money in two significant ways: wages and benefits. Collective bargaining paralyzes progressive fiscal discipline. Due to the restrictions in the union contracts it is very difficult to make efficiency decisions in Municipal government. Coupled with this is our tie to SCH and SSD (and their union contracts) for health insurance and our effort to be more nimble with the cost of premiums.

General Concerns: Decreased support for Boards and Commissions

If there is a reduction in personnel, a recommendation would be to reorganize or reduce the Boards and Commissions. Staff would have less time to prepare for or attend board and commission meetings. Many already cover the same or similar information. There are currently numerous vacancies that seem hard to fill.

General Concerns: Travel and Training

Travel and training is beneficial for staff and the work and service we provide the public. It helps to know best practices, to be a more productive and proactive workforce. There are many new staff in need of training to fulfill their job duties. Some travel and training has already been deferred where we can defer no longer without detriment or possible penalty to the work that is provided to the citizens. Reducing travel and training reduces our effectiveness and the service we would provide.

In some cases we have senior staff that belong to boards and committees in the state. It's good for Sitka to be involved in state matters, for networking, collaboration, and for Sitka to be on the minds of state agencies. Some travel and training is grant funded. Most of the travel and training is required for certification, to be licensed, receive credits, and continuing education. Some of the training requires no travel, especially with our emergency services. All is needed. A reduction in some areas of training would reduce our ability to perform certain work and thus our contracted dollars would need to increase.