

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Transportation/Public Facilities  
Marine Engineering  
Component

## **Component: Marine Engineering**

**Contact: George Capacci, General Manager**

**Tel:** (907) 465-3959 **Fax:** (907) 465-2474 **E-mail:** George\_Capacci@dot.state.ak.us

### **Component Mission**

Ensure that the Alaska Marine Highway System (AMHS) vessels and shore facilities are safe, reliable, comfortable, and accessible to all Alaskans and visitors to the state.

### **Component Services Provided**

- Conduct annual condition surveys and operational assessments. Provide technical information for long-range planning and facility development.
- Prepare the designs and manage the construction contracts that maintain, repair, refurbish, and upgrade the existing vessels. Assure that the vessels continue to comply with all state and federal regulations, as well as all United States Coast Guard (USCG) and American Bureau of Shipping (ABS) requirements. The Vessel Engineering Section's workload of current design and construction projects is over \$140 million in Federal Highway Administration and state matching funds.
- Perform preventive maintenance on twenty widely dispersed, state-owned ferry terminal facilities from Homer to Ketchikan. Perform annual inspections for regulatory compliance and accomplishment of upgrades, repairs, and refurbishment of terminal facilities. Terminal facilities include transfer bridges, mooring structures, staging areas and terminal buildings.

### **Component Goals and Strategies**

Vessel Engineering Section:

- Design and procure a new class of vessel with faster speed and reduced level of amenities, able to operate with reduced labor costs.
- Assure no loss of service due to failure to meet an existing or upcoming regulation.
- Provide continued modernization in accordance with the upcoming regulatory compliance deadlines including new requirements for Safety of Life at Sea (SOLAS), International Safety Management (ISM) and the Standards for Training, Certification and Watchkeeping for Seafarers (STCW).

Shore Maintenance Section:

- Continue to provide a high standard of preventive maintenance to state-owned terminal facilities.
- Conduct semi-annual servicing of the passenger and vehicle transfer structures and terminal buildings at each site.

### **Key Component Issues for FY2001 – 2002**

- The STCW is the international criteria by which all 800 AMHS shipboard employees are required to be trained and certified in Basic Safety Training and Vessel Familiarization before February 1, 2002. Half of these employees also need specialized training in crowd and crisis management, proficiency in the use of survival craft and passenger safety and hull integrity. This training is to be provided primarily in-house using the training courses, manuals, and equipment developed for the AMHS. In addition, STCW training and certification for deck and engineering department licensed and unlicensed mariners will need to be obtained from US Coast Guard approved schools prior to the February 1 deadline. The addition of modernized and expanded terminal facilities and buildings in Cordova, Homer, and Petersburg in the past three years has increased the existing maintenance team workload. Although the crew is currently fully utilized, their workload will increase further with the anticipated construction of five new terminals in the Southeast Alaska Transportation Plan.
- All existing and new emergency generator underground fuel storage tanks now require operation inspections and certification to meet 18 AAC 78. Each new terminal that is built, upgraded, or expanded adds a new fire alarm system and/or sprinkler system that requires annual recertification to meet Division of Fire Prevention regulations. These new

requirements, added to historical OSHA, DEC, and ADA oversight, require significant administrative efforts and demand additional funding to meet and maintain compliance.

### **Major Component Accomplishments for FY2000**

- Successfully completed the first biannual recertification inspection of our ISM program both on the vessels and shoreside. AMHS is the only U.S. flag, roll-on roll-off (ro-ro), passenger vessel fleet with overnight accommodations to have earned this certification. It is a requirement for continued service to Prince Rupert, British Columbia because it is located outside of the United States.
- Successfully implemented the first phase of the STCW requirement to train current and newly hired crew members to the highest international standards.
- Reduced the frequency and severity of terminal material casualties and emergency repairs. This was done through the use of improved, condition-based, planned, and programmed preventive maintenance.

### **Statutory and Regulatory Authority**

AS 19  
AS 44

**Marine Engineering**  
**Component Financial Summary**

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,429.6	1,754.9	1,733.8
72000 Travel	52.0	33.5	45.1
73000 Contractual	77.1	67.7	96.5
74000 Supplies	51.2	49.1	146.2
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,609.9</b>	<b>1,905.2</b>	<b>2,021.6</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	0.5	0.0	0.0
1061 Capital Improvement Project Receipts	942.0	1,164.9	1,286.3
1076 Marine Highway System Fund	667.4	740.3	735.3
<b>Funding Totals</b>	<b>1,609.9</b>	<b>1,905.2</b>	<b>2,021.6</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Interagency Receipts	51015	0.5	0.0	0.0	0.0	0.0
Capital Improvement Project Receipts	51200	942.0	1,164.9	1,164.9	1,286.3	1,286.3
<b>Restricted Total</b>		<b>942.5</b>	<b>1,164.9</b>	<b>1,164.9</b>	<b>1,286.3</b>	<b>1,286.3</b>
<b>Total Estimated Revenues</b>		<b>942.5</b>	<b>1,164.9</b>	<b>1,164.9</b>	<b>1,286.3</b>	<b>1,286.3</b>

## Marine Engineering

### Proposed Changes in Levels of Service for FY2002

Expansion of the State's federal highway transportation program and difficulties in recruitment and retention of engineers prompted a review of engineers' salary levels in FY2000. As a result, effective July 1, 2000, the Department of Administration (DOA) approved the upgrade of one to two salary ranges for each engineering position. DOA's approval is contingent upon continued review of the salary increases effect on recruitment and retention efforts and how the salary levels compete nationally.

### Summary of Component Budget Changes

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>1,905.2</b>	<b>1,905.2</b>
<b>Adjustments which get you to start of year:</b>				
-Add \$115.5 CIP implement Phase 2 Indirect Cost Allocation Plan-comply with OMB Circular A-87	0.0	0.0	115.5	115.5
<b>Adjustments which will continue current level of service:</b>				
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.0	-7.4	-7.4
<b>Proposed budget increases:</b>				
-Add \$8.3 in CIP to fund increases in Engineers' pay resulting from a classification study.	0.0	0.0	8.3	8.3
<b>FY2002 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,021.6</b>	<b>2,021.6</b>

**Marine Engineering**  
**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	24	23	Annual Salaries	1,179,913
Part-time	0	2	COLA	21,895
Nonpermanent	1	0	Premium Pay	155,922
			Annual Benefits	457,776
			<i>Less 4.50% Vacancy Factor</i>	(81,706)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>25</b>	<b>25</b>	<b>Total Personal Services</b>	<b>1,733,800</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	0	1	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk II	0	0	2	0	2
Administrative Clerk III	0	0	0	1	1
Administrative Manager I	0	0	1	0	1
Engineer/Architect II	0	0	1	0	1
Facilities Manager I	0	0	1	0	1
Maint Gen Journey	0	0	3	0	3
Maint Spec Bfc Jrny II/Lead	0	0	0	1	1
Marine Trans Svcs Mgr	0	0	1	0	1
Naval Architect	0	0	1	0	1
Project Coordinator	0	0	0	1	1
Vessel Const Manager I	0	0	2	0	2
Vessel Const Manager II	0	0	5	0	5
Vessel Const Manager III	0	0	2	0	2
Vessel Construction Asst III	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>3</b>	<b>25</b>