

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Marine Engineering
Component Budget Summary**

Component: Marine Engineering

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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, federal, and international regulations, as well as all United States Coast Guard (USCG) and classification society requirements.
- Support fleet operations through the port engineer function in Ketchikan and Juneau and while attending AMHS vessels at commercial shipyards.
- Perform preventive maintenance on 18 widely-dispersed, state-owned ferry terminal facilities from Homer to Ketchikan. Perform annual inspections for regulatory compliance and accomplish 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, procure, and introduce into the fleet 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 newly imposed regulation.
- Provide continued compliance with regulatory deadlines including new requirements for Safety of Life at Sea (SOLAS), International Safety Management (ISM), the Standards for Training, Certification and Watchkeeping for Seafarers (STCW), and the High Speed Craft Code.
- Assist DOT&PF senior management with the seamless introduction of dedicated service to Metlakatla and daily high speed ferry service to Sitka and Prince William Sound.
- Commence long range planning for the design and construction of replacement mainliner vessels for the Matanuska and Taku, which will reach regulatory obsolescence in 2010.

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.
- Automate and institutionalize the shore maintenance function through the procurement and implementation of a computer based shore facility maintenance planning, scheduling and history system.

Key Component Issues for FY2003 – 2004

A new conventional speed, steel hull vessel is being built to begin service between Metlakatla and Ketchikan. Managing this construction contract will require reducing staffing levels on existing projects. This will in turn require some in-house work to be outsourced. Along these same lines, the contracts associated with the new fast vehicle ferries required hiring two vessel construction managers to administer these contracts. Moreover, these contracts are occurring while the existing Marine Engineering workload has remained constant. Therefore, existing work is being allocated over a longer period of time. For example, refurbishments scheduled for the M/V Taku and the M/V Columbia have slipped to future years.

The addition of modernized and expanded terminal facilities and buildings continues to increase the workload of the

shore maintenance team. Although the team is currently fully utilized, their workload will increase further with the anticipated construction of two new terminals in Whittier and Valdez. These new facilities will have sophisticated security features and in Valdez, prototype vehicle scales in support of the introduction of the fast vehicle ferry M/V Chenega in Prince William Sound in 2005.

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 require annual re-certification 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 in 2002

- Awarded a contract for \$68 million to Derecktor Shipyards, Bridgeport, Connecticut for the design and construction of two new fast vehicle ferries with contract delivery dates for one vessel in 2004 and the second in 2005. These vessels will be the first ever constructed in the U.S. to the very stringent international High Speed Craft Code for vessel construction, crew certification, and route-specific vessel operation.
- Completed a major refurbishment of the food service areas on the M/V Columbia, the first significant modification of the food service areas that the vessel has received since she was built in 1974.
- 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.
- Replaced the failing heating system in the Skagway ferry terminal with an efficient, modern system.
- Rehabilitated both Ketchikan berths and added safety features.

Statutory and Regulatory Authority

AS 19
AS 44

Marine Engineering
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,590.0	1,893.2	1,835.7
72000 Travel	59.5	45.1	45.1
73000 Contractual	132.2	107.5	107.5
74000 Supplies	108.9	155.2	155.2
75000 Equipment	5.8	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
Expenditure Totals	1,896.4	2,201.0	2,143.5
Funding Sources:			
1061 Capital Improvement Project Receipts	1,213.2	1,438.0	1,377.2
1076 Marine Highway System Fund	683.2	763.0	766.3
Funding Totals	1,896.4	2,201.0	2,143.5

Marine Engineering

Proposed Changes in Levels of Service for FY2004

Position transfer and reclassification to FVF Port Captain as this constituted a much higher priority in connection with the introduction of the new fast vehicle ferry in spring 2004 and subsequent FVFs. No significant impact on Marine Engineering level of service.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	0.0	2,201.0	2,201.0
Adjustments which will continue current level of service:				
-Transfer position and funding to Vessel Ops Management for FVF Port Captain	0.0	0.0	-77.0	-77.0
-Annualize FY2003 COLA for General Government and Supervisory Bargaining Units	0.0	0.0	17.8	17.8
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.0	0.0	1.7	1.7
FY2004 Governor	0.0	0.0	2,143.5	2,143.5

Marine Engineering

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	23	21	Annual Salaries	1,262,920
Part-time	2	2	Premium Pay	141,262
Nonpermanent	0	0	Annual Benefits	477,607
			<i>Less 2.45% Vacancy Factor</i>	(46,089)
			Lump Sum Premium Pay	0
Totals	25	23	Total Personal Services	1,835,700

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	1	0	1
Administrative Clerk III	0	0	1	1	2
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	1	2	3
Maint Spec Bfc Jrny II/Lead	0	0	1	0	1
Marine Trans Svcs Mgr	0	0	1	0	1
Naval Architect	0	0	1	0	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
Totals	0	0	20	3	23