



# Preparation for Sims Closure

Staffing Analysis

June 28, 2018

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# Staffing Levels

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## Normal Operations

### 39 Total

- Union Employees (28)
  - 16 Operations
  - 11 Maintenance
  - 1 Electrician
- General Employees (11)
  - 7 Management
  - 2 Instrumentation
  - 1 Laboratory Technician
  - 1 Production Secretary

## Current Operations

### 27 Total

- Union Employees (22)
  - 15 Operations
  - 6 Maintenance
  - 1 Electrician
- General Employees (5)
  - 4 Management
  - 1 Instrumentation

## Future Operations

### 13 Total

- Union Employees (11)
  - 9 Operations
  - 2 Maintenance
- General Employees (2)
  - 2 Management

# By June 2020

- 3 - Production Department employees will have already retired.
- 2 - Production Department employees will be eligible immediately after closure (< 1 year).
- 7 - Production Department Employees will be close to retirement eligibility shortly after plant closes (within 2 - 4 years).
- 2- Production Department employees are expected to move to the Service Center.

Note: 12 positions at the Service Center are eligible for retirement within the next three years. Employees will also be needed to oversee abatement & demolition of both the Diesel Plant and Sims Facility which is expected to take 1 – 1.5 years. **The teams overseeing this function will likely be the Production Department Employees closest to retirement.**

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# 2020 is best time to close to minimize impact on employees

- Staffing levels in the Production Department are down by 31%.
  - With upcoming retirements and transitions, staffing levels in the Production Department will be down 49% by 2020.
  - If the plant was to continue operations, new employees would need to be hired. This would result in layoffs when the plant eventually retires.
  - Training time and costs are significant for new employees. It would be difficult to hire good employees for short term careers.
  - There are no benefits to employees for continued operation of Sims.
  - If it is the community's intent to own some local generation resource in the future, the best time to start the transition is now.
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# Interim Plan

- Move maintenance employees into operations department as openings arise.
  - Hire out contracting for maintenance and fuel handling as needed. Overtime priority goes to internal employees first.
  - Use temporary service contracts for administrative functions.
  - Boiler water chemistry and environmental testing have already been contracted out for remainder of operations.
  - Buist Electric has been contracted for assistance with Electrical Supervisor and Instrumentation & Control Technician vacancies.
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# Final Comments

- Employees are shouldering a heavier work load to help the Board of Light & Power with this transition.
- Jobs will change but skill levels will also increase as employees learn more about power supply and electric system operations.
- Current staffing levels are not sustainable in the long term but can be managed over the short operating duration.
- While not the primary driver, the cost savings to the community from the work force reduction will be significant, over \$2.7 million annually.
- Costs savings over an extended period of time will be substantial.
- Identifying and taking advantage of the situation results in no terminations of steam plant employees!

The Grand Haven community has a unique opportunity to transition into a more diversified power supply portfolio that will not only keep rates stable, but will also minimize the impact to the BLP workforce.

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