



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

- I. Call to Order** – Mr. Wostmann called the January 13th Finance Sub-Committee meeting to order at 5:00 pm via Zoom Meeting.

II. Roll Call

The following members were present via zoom or in the Port Director's conference room: James Becker, David Larkin, Don Etheridge, and Bob Wostmann.

Absent: Chris Dimond

Also present were the following: Carl Uchtyl – Port Director, Matt Creswell – Harbormaster, Teena Larson – Administrative Officer, and Tiara Ward – CBJ Finance Accountant

III. Approval of Agenda

Mr. Uchtyl said no changes but there was two additions since Friday. One was seven graphic trends under items for information #2(b) and the Equipment replacement reserve schedule #4(a).

THE AGENDA WAS APPROVED AS PRESENTED.

IV. Participation on Non-Agenda Items - None

- V. Approval of November 30th, 2020 Finance Sub-Committee Minutes** – Hearing no objection the minutes of November 30th, 2020 are approved as presented.

VI. Items for Information/Discussion

1. FY21 – General Ledger (GL 290) Review – through December 2020

Mr. Uchtyl said this report was provided to the Committee members. This GL290 is a report for all expenses for both Docks and Harbor Enterprises. He asked the members if they had any questions pertaining to this report?

Mr. Larkin asked about specific contractual services in the Harbors report on page 32.

Mr. Uchtyl said Docks & Harbors has a term contract with Trucano Construction to demolish and dispose of impounded vessels.

Mr. Wostmann asked about rents on page 6 of the Docks General Ledger?

Mr. Uchtyl said the Port Directors office is rented from Goldbelt.

Mr. Wostmann commented that on page seven of the Docks General Ledger there is no period one for electricity.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

Ms. Larson said she believed it was paid in period two.

Mr. Wostmann asked what was the charge on page 12 of the Docks General Ledger regarding a charge to Hoke Design.

Ms. Larson said they developed a webpage for online payments.

Mr. Wostmann asked about page two, period four of salaries. Was this the transfer to the Aurora Harbor CIP that the Board approved?

Ms. Larson said that is correct.

Mr. Wostmann asked on page 13 about electricity. In period two there is an Auke Bay Government Dock charge of \$2,300. Is there a reason it is hugely larger in other months.

Ms. Larson said that is the entire Statter Harbor.

Mr. Creswell said the thing to keep in mind at Statter Harbor is it is a highly transient Harbor so we pay for the electricity initially and bill the customer for the use.

Mr. Wostmann asked if this was the portion of the cost that was not able to be recovered? Because this is labeled government dock, is this the Coast Guard Dock?

Ms. Larson said this is not the Coast Guard Dock and they pay for their power separately.

Mr. Wostmann asked about page 23 refuse disposal. In month five there is a \$54,000 expense.

Mr. Uchytel said this was the North Aurora demolition. Initially it was charged out in harbor's operations budget and then staff amended it to be funded from the Aurora Harbor CIP project.

Mr. Wostmann asked what the recurring charges are for DH18-051?

Ms. Larson said she believes that is the Port a Potties.

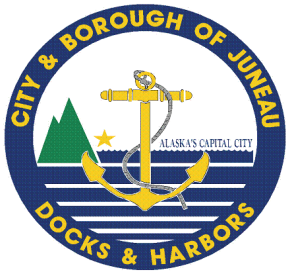
Mr. Wostmann asked what all the Vantiv charges are?

Ms. Larson said that is the credit card company.

Mr. Uchytel said those are charges for taking credit cards.

Mr. Wostmann asked what is the bank card fee we are charged?

Ms. Larson said that is negotiated at the Finance Department.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

Public Comment

Dennis Watson, Juneau, AK

Mr. Watson said he noticed Docks & Harbors has money set aside for the Seattle Boat show and that is not happening this year.

Ms. Larson said the money is set aside for the Boat Show in FY22 and not FY21.

2. FY21/22

a. D & H Operational Budget Overview

Mr. Uchytel said staff wanted to give an overview for Docks and Harbors FY21 and FY22 to this Committee on where we think we will end up. We are in the first year of the Biennial budget.

Docks Budget - He said he received an update on Cruise Ships. Princess has suspended operations until May 15th. For the Docks Enterprise current fiscal year that ends June 30th, we will need to draw from the fund balance. Currently the fund balance is at \$2.5M. We are anticipating we will need to draw upwards of \$971,000 from our fund balance and this is with the assumption we will have half capacity of 2019 numbers in April, May, and June. However, with the update from Princess, he is unsure using half capacity is realistic anymore. With that, we may need to draw even more fund balance for FY21. With the assumption of half capacity and drawing on the fund balance, at the end of FY21 we would have approximately \$1.6M left in our fund balance. For FY22 we are projecting less of a draw on our fund balance but still not running a cash positive operation.

Dennis Watson, Juneau, AK

Mr. Watson asked if staff is anticipating Docks to have a cash positive at the end of FY21.

Mr. Uchytel said not for Docks. Docks has not had any revenue for almost a year but we still have expenditures. Without a doubt, Docks will be running a deficit at the end of FY21 and need to draw from our fund balance.

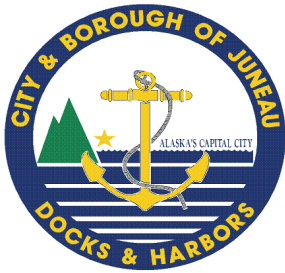
Mr. Wostmann asked how FY22 revenue was estimated?

Mr. Uchytel said it is estimated between half and full capacity based off 2019 numbers.

Mr. Larkin asked what is the actual money we have collected so far for FY21?

Ms. Larson said currently the only revenue is the \$448,500 which is the Marine Passenger Fees.

Mr. Uchytel went on to talk about Harbors.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

Harbors Budget - The big unknowns in FY21 and FY22 is the potential for having a new lease with UAS for the area between Aurora and Harris Harbor which could be upwards of \$100K annually. Looking at the big picture, in FY21 and FY22 will be similar to FY20. The big expenses will be for the Lumberman disposal, the UAS lease payment, and the annual \$18K ABLF DOT ROW easement encroachment permit. For FY21 and FY22 we are projecting a positive fund balance.

Mr. Wostmann asked about the \$10,000 other funding financing.

Ms. Tiara said this is for other vehicles and Equipment not on the fleet reserve schedule.

Dennis Watson, Juneau, AK

Mr. Watson asked when the Coast Guard Cutter LIBERTY will be leaving Statter Harbor and the new CG Cutter will be here? Is that happening in FY22 or further out?

Mr. Uchytel said FY23 is when the LIBERTY is scheduled to be taken out of service and it is being replaced by an 87' vessel. Harbors will continue to lease that area to the Coast Guard. The lease agreement will not change even with the smaller vessel because it is based on the length of the pier and not the length of the vessel.

b. D & H Graphic Trends

Mr. Wostmann said he asked for these to be added to allow for people to see them that may not have seen them last year during our budget presentation. These will be used as part of our final presentation.

Mr. Uchytel went over the trend graphs in the packet.

3. The following are provided by CBJ Finance Department updated by D & H staff **a. FY21 D & H Staffing Detail**

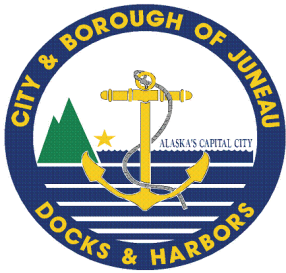
Mr. Uchytel said the staffing detail is updated by Ms. Larson with updated personnel and merit increase dates. This shows how personnel salaries are paid between Docks and Harbors and Engineers CIP projects. The bottom numbers are used in our budget documents.

b. FY21 D & H Travel & Training

Mr. Uchytel said this is to plan for all the training throughout the year. All the training will probably not be used for this fiscal year. We have a highly motivated workforce and he said he likes to encourage their participation in training.

4. The following are provided by CBJ Finance Department updated by D & H staff **a. Equipment Replacement Reserve Schedule**

Mr. Uchytel said this is required by Finance to predict replacement and identify revenue for future equipment purchases.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

The \$10K for other financing sources is to replace something not on our replacement schedule.

Previously Docks contributes \$10K annually and Harbor contributes \$20K annually. Because of the large dollar equipment coming due in FY32(harbor security vessel Joe G), we will be increasing our Harbors annual contribution to \$25K in FY22 to maintain a balanced spreadsheet. There may be grant opportunity to replace the Joe G but that is an unknown.

Mr. Creswell said there are unknowns with the loaders also. The current ones were purchased used from Streets and Fleets and we are unsure of replacement. Staff identified a year for replacement but this is also an unknown.

b. FY22 Docks Staffing Schedule

Mr. Uchytel said this starts June 1st, and we are unsure if the cruise ships will be coming or not but this is estimating they will be coming. A change we were working on during the last budget cycle was reprogramming some of our Harbor Technician positions to Part Time Limited positions which are now in place. These positions help to be very strategic in who we bring back and when we bring them back.

c. FY22 Harbors Staffing Schedule

Mr. Uchytel said salaries is Harbors biggest expense. These are updated with personnel changes and merit dates. The numbers from this sheet goes into our budget numbers.

d. FY22 Docks Travel & Training

Mr. Uchytel said this is what staff predicts for Docks travel and training for FY22. This may not all be used but we are putting it in our budget just in case. He went over the travel listed.

e. FY22 Harbors Travel & Training

Mr. Uchytel said where the expense for travel and training can be split between Docks and Harbors budgets, staff will do that. He went over the travel listed.

f. FY21/22 Docks Expenditures

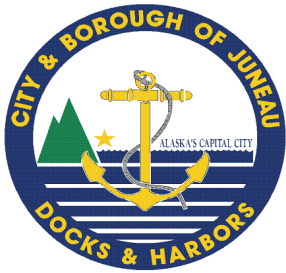
Mr. Uchytel said this shows data from the previous three fiscal year actuals. Staff updates the current fiscal year (FY21) projected actuals and also updates the next fiscal year (FY22) budget. He went the items that had a 5% or greater change.

Benefits – Decrease of 19%, this is based off salaries.

Travel & Training – Increase due to built up demand due to a year of no training and we want to develop a professional work force and a need to invest in our people.

Electrical – Increase of 15% based off previous year. We are charged this but staff charges our patrons for their use.

Wastewater service – Decrease due to looking at prior year actual.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

Building Maintenance – Decrease, this is a number provided by the City Manager based on previous operating costs for the Building Maintenance Division.

Dues and Subscriptions – Increase due to the decisions to join the AAPA organization.

Full Cost Allocation – Decrease 9%.

Postage – Decrease by 20%.

Dennis Watson, Juneau, AK

Mr. Watson asked why nothing is budgeted for accrued leave?

Ms. Ward said it is a calculation as people take their leave. The accrued leave is figured in with salaries. As people take leave it reduces the salaries and shows in the accrued leave. There is no need to budget for this.

Minor Furniture & Fixtures – Decreased by \$2,000.

Vehicles & Equipment – Decreased due to not a foreseen need for this.

g. FY21/22 Docks Revenues

Mr. Uchytel said FY21 projected actuals are still a huge unknown due to the uncertainty of the cruise ships.

Lawson Interest – Provided by our Finance Department.

FY21 - Estimated at half capacity from what was in Juneau FY 2019.

Marine Passenger Fees - \$448,500.

FY22 - Estimate is slightly lower than FY2019 numbers but building back to those numbers. This is an unknown.

Marine Passenger Fees – Requested \$448,500 but not sure if that is what we will receive.

When submitting the Marine Passenger Fee request this year, he added another request for expenses associated with COVID related needs for this current fiscal year to get the cruise ships activated.

h. FY21/22 Harbors Expenditures

Mr. Uchytel went over the expenditures with a 5% or greater change.

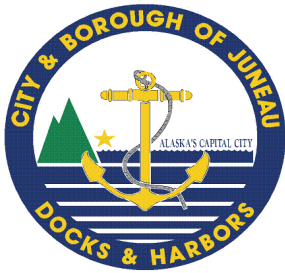
Travel & Training - Increase of 7.1%, this is an investment in our employees and a good way to keep employees motivated in professional development.

Rents – Increase, there is a potential for having to pay a lot more for the UAS lease and \$18K for the ABLF ROW encroachment permit.

Electricity – Increase based on 2020 final numbers. We do collect from patrons on some of this expense.

Water Service – Increase, there was a leak in Harris Harbor earlier this fall

Mr. Creswell said we lost 3.4M gallons of water which was roughly over \$12K in



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

expense.

Building Maintenance – Increase of 14.9% which is an amount provided by the City Manager's office.

Fleet Equipment Maintenance – Decrease by \$8,000

Dues & Subscriptions – This is for AAPA, AAHPA, PCC, and Chamber of Commerce.

Gasoline – Decrease by \$4,000.

Full Cost Allocation – Decrease, this is also a number provided by the City Manager.

i. FY21/22 Harbors Revenues

Mr. Uchytel went over the revenues-

Lawson Interest - Provided by the Finance Department.

CARES Relief Funds - The Port Directors, and the Harbormaster's time associated with the EOC. Mr. Uchytel said he has been the CBJ EOC Section Chief since March and a quarter of his time has been associated with EOC type work.

State Shared Revenue - Raw Fish Tax.

User Fees – This is in line with last year at \$3.3M. This is for moorage and launch ramp permits.

Minor Violations or Tickets - \$10K

Lease Revenue – Tideland leases

Bad Debt – The \$75K is a guess on how much bad debt will be written off.

Mr. Uchytel said our FY22 numbers are very similar to FY21. The Vendor Booth Permit fees are estimated at half revenue for FY22.

Mr. Wostmann asked about the Interest lines that show up twice.

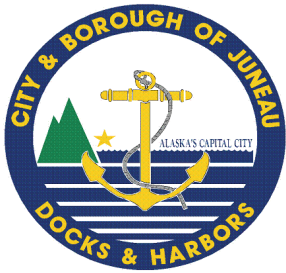
Mr. Uchytel asked Ms. Ward to explain why there is an AR Interest and Fines and an Interest in Lawson line items?

Ms. Ward said we accrue interest for your Enterprise fund based on the cash that we hold in treasury. The AR Interest and Fines is from the money collected from people that are late in paying their bills. Interest in Lawson is relative to the Enterprise interest income that happens across the City.

Mr. Wostmann asked why FY21 and FY22 has no budget numbers for the interest line items?

Ms. Ward said this is not budgeted because there is no way to predict when and if someone is going to pay their bills.

Dennis Watson, Juneau, AK



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday January 13th, 2021

Mr. Watson asked about the State Shared Revenue. The West Coast is permanently closing down all the farmed fish operations. Is there any risk we will have to give up more of our share of the salmon? This would be an impact on what we take in on the Raw Fish Tax.

Mr. Uchytel said he did not know but referred the question to Mr. Becker.

Mr. Becker said the Raw Fish Tax Juneau receives is from the fish that is landed in Juneau.

Mr. Watson said they are closing all the farmed fish operations on the west coast and Canada. Will they be coming here now to take from our allocation?

Mr. Becker said he does not see that will have any effect on Juneau.

5. CBJ FY2022 Departmental Summary

Mr. Uchytel said this department summary is the new format for the Docks and Harbors budget overview.

VII. Next Meeting –To be decided at another time.

VIII. Adjournment – The Finance Sub-Committee Meeting adjourned at 7:00 pm.