DOCKS & HARBORS
FINANCE SUB-COMMITTEE
MEETING MINUTES

Monday January 6th, 2020
No Audio

I. Call to Order – January 6th, at 3:00 pm in CBJ Room 224.

Mr. Wostmann called the Finance Sub-Committee meeting to order January 6th at 3:00 pm.

II. Roll Call

The following members were present: James Becker, Chris Dimond, Mark Ridgway and Bob Wostmann.

Also present were the following: Carl Uchytil – Port Director, Dave Borg – Harbormaster, Jennifer Sims – Administrative Assistant III, Sam Muse – CBJ Finance Accountant, Tiara Ward – CBJ Finance Accountant, Don Etheridge – Board Chair, and James Houck – Board Member.

III. Approval of Agenda

Mr. Uchytil requested to move # 4 Budgetary discussion on Insurance Rates to #3 and #3 Staffing Schedule discussion to #4.

MOTION By MR. BECKER: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Approval of December 12th, 2019 Finance Sub-Committee Minutes –

Hearing no objection the minutes of December 12th, 2019 are approved as presented.

V. Participation on Non-Agenda Items - None

VI. Items for Information/Discussion

1. Capital Assets Valuation

Mr. Sam Muse explained the CAFR report on pages 3-7 in the packet and answered Committee questions.

Mr. Wostmann asked what the OPEB asset is?

Mr. Muse said this is benefits that have been under funded so we are paying above what is owed to catch up on the health care and non-pension funded amount.

Mr. Wostmann asked what is the method used for Accumulative Depreciation?

Mr. Muse said it is the asset life. Finance divides the cost of the asset by the number of useful years of the asset.

Mr. Wostmann asked what the typical depreciation time is for assets? He used 16B as an example.

Mr. Muse said maybe 30 years. He works with the Departments to provide the useful life.

Mr. Wostmann asked what the unearned reserves are?

Mr. Muse this is typically revenues Docks and Harbors receives prior to year of payment.

Mr. Wostmann asked what the non-current revenues are?

Mr. Muse said that is the unrestricted revenue grants and the State Marine Passenger fees.

Mr. Ridgway asked what is the Equity in Central Treasury?

Mr. Muse said it is the restricted money sitting in projects.

Ms. Ward reminded the Committee that the CAFR report they are looking at is for FY18.

Mr. Uchytil said the Board is wanting to know the value of Docks & Harbors assets?

Mr. Muse said the CAFR report is for historical costs, assets, and depreciation. To have a value on property there would need an appraisal for the fair market value or do a study to put a value on the property.

Mr. Wostmann asked what caused the negative balance?

Mr. Muse said that is the difference between assets and liabilities unrestricted balance less liabilities gives the negative balance. This happened when the accountants needed to start recording benefits that didn't need to be recorded before. This is figured far in the future and money is added back based on money available to spend. This is really an accounting thing.

Mr. Ridgway explained that this sub-committee is looking at the operations to improve income stream and that is why it is important to look at replacement values in the Harbors. He asked if Mr. Muse has noticed anything in revenues that shows alarm?

Mr. Muse said rates need to keep up with inflation. Docks & Harbors has been replacing assets but the rates have been kept low for the benefit of the patrons. There needs to be a slight increase over time or there will need to be a large increase to have money for operations.

Mr. Uchytil said Docks has more revenue than Harbors and that is mainly because Harbors is paying off debt which takes away from projects moving forward.

Mr. Ridgway asked if Docks & Harbors should hire a consultant to find efficiencies for Docks & Harbors.

2. FY2021/22 Field Guide to Budget Development
Mr. Uchytil said the Budget guide is in the packet on pages 8 – 43. This guide is prepared by CBJ Finance to help with budget preparation. He asked Mr. Muse to explain how the Interdepartmental fees are figured?

Mr. Muse said the Finance Department hired a consultant and they came up with a cost plan and estimated time spent within CBJ Departments on Docks & Harbors.

Mr. Wostmann asked what the metric used for MIS was?

Mr. Muse said it is complex and there are multiple different drivers but it is mainly based on number of devices and networks.

Mr. Wostmann noted MIS increased by a large %.

Mr. Muse said 6% and Docks & Harbors is at the top.

Mr. Wostmann said he would be interested to look at the metrics for the charge to MIS.

Mr. Uchytil said because these are audited numbers, there is no way to challenge these numbers.

Mr. Muse said that is correct.

Mr. Muse left the meeting at 3:35pm

4. Budgetary Discussion of FY2021/22 Insurance Rates
Ms Jennifer Mannix went over a power point presentation and answered questions.

Mr. Dimond left the meeting at 4:06 pm

Mr. Ridgway asked if we collect insurance documents for the cruise ships and what is the required coverage?

Ms. Mannix said we do not at this time because they are known to have insurance.

Jennifer Mannix left the meeting at 4:12 pm

3. FY2021/22 Staffing Schedule & Operating Budget.

Mr. Uchytil went over the staffing schedule provided at the meeting and the operating budget for Docks and Harbors.

Mr. Ridgway requested a graph over the past 10 years for revenue and expense for Docks and Harbors. He also wanted total wages and benefits.

This can be discussed again at the next OPS/Planning meeting.

VII. Next Meeting – Next meeting was decided for third week of April. Mr. Uchytil will send out a doodle poll with dates.

VIII. Adjournment – The Finance Sub-Committee Meeting adjourned at 4:59 pm