

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

- I. Call to Order** Mr. Donek called the Finance Committee meeting to order at 5:02pm in room 224, City Hall.
- II. Roll Call** The following Finance Committee members were present: Michael Peterson, Scott Spickler, and Tom Donek.
Also in attendance were the following: Carl Uchtyl – Port Director, Teena Scovill – Port Administrative Assistant III, Angelica Lopez-Campos – CBJ Accountant II.
- III. Approval of Agenda.**
MOTION BY MR. MICHAEL PETERSON: TO APPROVE THE AGENDA AS PRESENTED.
Motion passed with no objection.
- IV. Public Participation on Non-Agenda Items -None**
- V. Approval of January 28th, 2014 Finance Committee Meeting Minutes.**
MOTION BY MR. SCOTT SPICKLER: TO APPROVE THE JANUARY 28, 2014 FINANCE MEETING MINUTES AS PRESENTED.
Motion passed with no objection.
- VI. Consent Agenda - None**
- VII. New Business**
 1. New Truck - Presentation by the Port Director
Mr. Uchtyl presented a memo to the Finance committee recommending replacing two vehicles. (See attached memo for vehicle and financial information) Mr. Uchtyl recommended the types of equipment to be purchased from the Equipment Replacement Reserve Schedule.

Committee Questions
Mr. Peterson asked about the balance of the schedule and when the contributions are made.

Mr. Uchtyl answered the balance of the fund will be \$43,814 after the purchase of the two new vehicles and in the fiscal year starting July 1st there will be another deposit of \$27,000 making the new balance of \$70,000. Mr. Uchtyl advised this fund that Docks & Harbors contributes to is used for replacing vehicles, boats, engines, and related items.

Mr. Spickler asked if we ever reach out to local dealerships so they can give quotes.

Ms. Lopez-Campos answered that the city is able to ride on the State of Alaska contract for the reasonable negotiated rates and it would beat the local rates but Mr. Uchtyl is allowed to get local quotes.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

Mr. Spickler recommended in the future offering the local dealerships a chance to present a quote for vehicle replacements.

Public Comment – None

Committee Discussion/Action

Mr. Donek stated these replacements that are needed are not a surprise due to age and wear and tear of the harbor vehicles.

MOTION BY MR. SPICKLER: TO APPROVE THE RECOMMENDATION BY MR. UCHYTIL TO REPLACE THE HARBOR VEHICLES AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

2. FY15/16 Budget

Presentation by the Port Director

Mr. Uchytel introduced Teena Scovill – Port Administrative Assistant III, Angelica Lopez-Campos – CBJ Accountant II to assist in presenting the budget. Mr. Uchytel advised a budget must be presented to the city by April each year. He referenced the budget report containing FY13 actuals, FY14/15/16 projections. (See attached budget report)

Mr. Uchytel advised the projected revenue for Docks is \$1,834,600 up until June 30, 2014. The projected total expenditures up until June 30, 2014 are \$1,305,000. The estimated surplus is about \$500,000. The FY15/16 surplus estimations are the same.

Mr. Uchytel asked what is beneficial to the board for reviewing the budget and what details they would like to go over are.

Committee Questions

Mr. Peterson said he would like to have a month to go over the budget line by line so he can have a better understanding.

Ms. Lopez-Campos advised a month is too long and the city would not have enough time to prepare the budget for the assembly. She asked if the board could meet sooner.

Mr. Peterson asked if there are any areas of concern in the budget.

Ms. Lopez-Campos answered she did not have any concerns and all of her questions were already answered.

Mr. Peterson asked if the merit increases and new positions are built in to the budget.

Ms. Lopez-Campos answered yes.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

Mr. Spickler asked if the cruise ship landings are expected to be lower and is that taken in to account.

Ms. Scovill and Ms. Lopez-Campos both answered yes.

Mr. Donek asked why the marine passenger fees have not decreased.

Ms. Lopez-Campos answered the city receives a much larger amount in the millions and this is Docks & Harbors portion therefore it is not projected to decrease.

Mr. Uchtyl asked Ms. Scovill to identify some items on the budget for the Board.

Ms. Scovill advised the user fees for Docks include the vessel lightering float water and electricity, the cruise ship docks \$3.00 per linear foot fee, port maintenance tonnage fee, vender booth permits, loading zone permits, marine passenger fees, and port development fees for cruise ship billings.

Mr. Uchtyl advised all of the tidelands leases are now under Harbors and the interest income is from the Dock fund.

Ms. Lopez-Campos added the interest income the city earns is divided out to each department and it is expected to be a lot lower.

Mr. Peterson asked if charges for services are annualized.

Ms. Lopez-Campos answered no they are fees that are received from July to September so they cannot be annualized.

Mr. Peterson asked if the estimated \$500,000 charge to fix the Auke Bay C-Float has been reflected in the budget.

Mr. Uchtyl answered it would be under the Harbors account not the Docks.

Ms. Lopez-Campos added that it is expected for Risk Management to pay the claim less the deductible.

Mr. Uchtyl advised the reimbursable from the Port Development Fee is income from the city to compensate Teena for doing the entire Cruise Ships fee billing city wide. We also ask from the City Manager, to be compensated for the fees incurred to manage and maintain the customs office and the visitor's center.

Mr. Spickler asked if the marine passenger fees could be reduced if the tourism companies are rewarded any amount of this.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

Mr. Uchytel answered no they are going to the City Manager to receive their own portion from the main fund.

Mr. Uchytel advised the Docks expenditures are divided between Harbors since the Docks staff do work for both departments. The third department is the CIP and a portion of their expenditures are allocated to Harbors about 10%. Personnel costs are the highest expenditures. Mr. Uchytel also went over the differences and sometimes lack of consistency for reporting commodities and services operational costs.

Mr. Peterson asked if safety equipment is replaced on a yearly basis.

Mr. Uchytel answered no we tend to use items until they have to be replaced. We do have a new safety officer reviewing and advising the harbors on repairs and replacements.

Mr. Uchytel also advised we are slowly updating computers and office equipment.

Mr. Spickler asked for an explanation on the bad debt.

Ms. Lopez-Campos answered this is to account for revenue that is billed but Docks & Harbors does not collect the full amount so this is to account for the uncollectable amount.

Public Comment

Mr. Dennis Watson – Juneau, AK

Mr. Watson stated he appreciates the time and questions of the Board to go over the details of the budget. He also stated it is nice to see an increase in salaries and staff. He would like to see the breakdown by the each harbor for both revenue and expenses.

Committee Discussion/Action

Ms. Lopez-Campos advised we need a preliminary budget to present to the assembly in April but the Docks & Harbors department can make adjustments after April meeting up until May.

MOTION BY MR PETERSON: TO ACCEPT THE BUDGET AS A PRELIMINARY BUDGET AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection.

****Mr. Spickler has to depart early at 6:08pm so no quorum therefore remainder is informational only.****

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

VIII. Old Business Information Only.

1. Mt Roberts Tram Update

Mr. Peterson advised he and Mr. Uchytel have met with Goldbelt a total of four times on December 10, 2013, January 14, January 27, February 25, 2014 working on the tram lease. Mr. Peterson advised Goldbelt has decided to pursue the language of the lease and pursue a third appraiser who will review each appraisal that was already obtained to come up with a fair market value for the lease rent.

Mr. Uchytel advised he will schedule another sub-committee meeting to go over more detail of the Goldbelt meetings.

Committee Questions – None

Public Comment – None

Committee Discussion/Action – None

IX. Items for Information/Discussion – None

X. Staff & Member Reports.

Mr. Uchytel advised Docks & Harbors needs to do a rate study to update the Harbors current rates for other services aside from moorage such as rates pertaining to the ABLF boat haul out, launch permits, bus permits, and downtown A & B zone rates.

Mr. Donek suggested we do the boat haul out under contract to another contractor to operate.

Mr. Uchytel asked Mr. Donek if he meant to turn over the whole ABLF.

Mr. Donek answered just the haul out and put it out to competitive bid and the contractor work space just for two or three boats.

Mr. Uchytel stated the ABLF is a conditional use for just boat and gear storage.

Mr. Donek suggested maybe returning to the planning commission to evaluate the conditional use permit.

Mr. Peterson asked how about we sell the haul out machine.

Mr. Donek answered Juneau did not have a big enough boat lift so a grant was obtained to purchase the boat lift.

Public Comment

Mr. Dennis Watson stated the lower rates are reasonable and are not competition for other businesses since it is a different more limited service offered by Docks & Harbors.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, February 25th, 2014

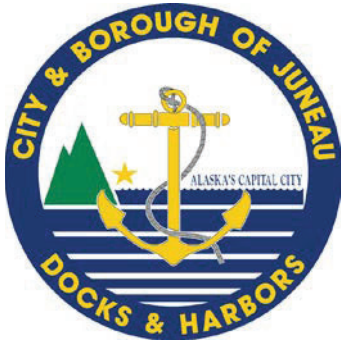
Mr. Paul Swanson said there would be a maintenance concern if the boat lift was contracted out.

XI. Committee Administrative Matters.

1. Next Finance Committee Meeting March 25th, 2014

XII. Adjournment.

The Finance Committee adjourned at 6:30pm.



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: Carl Uchytel, Port Director
To: Docks & Harbors Board
Via: Docks & Harbors Finance Committee
Date: February 25th, 2014
Re: NEW TRUCK PROCUREMENT

Background:

Docks and Harbors participates in an Equipment Replacement Reserve Schedule, coordinated by the CBJ Finance Department, which allows for schedule replacement of vehicles and other items (boats/engines) requiring periodic recapitalization. Docks & Harbors contributes \$27,000 per year to this fund and we had \$106,700 available in FY14. Earlier this FY, with Board approval, Docks & Harbor ordered a new Ford 2014 F350 XL model F3B Turbo Diesel truck through State of Alaska vehicle contract for \$31,443. When we receive this vehicle we will surplus 1998 Chevrolet 3500 with 122,417 miles.

We also have a 2004 Chevrolet 2500HD with 75,624 mile which is also in need of replacement. The vehicle incurs significant wear and tear due to snow removal operations. This vehicle has engine, body work, tires and snow plow equipment deficiencies. In a report generated by the CBJ Streets Department, they replace work vehicles approximately every 8 years and dump trucks every 12 years.

Recommendation:

I recommend we replace this vehicle with a second 2014 Ford F350 XL model F3B Turbo Diesel truck through State of Alaska vehicle contract for \$31,443. This will leave the balance of the Equipment Replacement Reserve Schedule at \$43,814.

#