CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, April 24th, 2012

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:03 p.m. in room 224 of the Assembly building.

II. Roll Call.

The following members were present: Tom Donek, John Bush, Michael Williams and Erick Kueffner.

The following members were absent: Kevin Jardell and Wayne Wilson.

Also in attendance was: Mr. Uchytil-Port Director.

III. Approval of Agenda.

MOTION by Mr. Williams: TO APPROVE THE AGENDA AS PRESENTED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Approval of March 27, 2012 Finance Committee Meeting Minutes.

Hearing no objection, the minutes of the March 27, 2012 Finance Committee Meeting were approved as presented.

VI. Items for Action.

1. Potable Water Rates.

Mr. Uchytil said he started this discussion at the last Finance Meeting and he was suggesting the water rates be raised by $ .16 to stay current. After further review and direction from the Finance Committee, he decided to review what the Port has collected in potable water fees. Mr. Uchytil provided an information sheet back to 2004 comparing the water department charges with D&H fees collected for water. The sheet also includes the percent markup D&H is receiving in water fees. He said as we go forward the question is what is a reasonable fee to be charging for this utility. We do have overhead costs for personnel to provide this service. He suggested increasing the D&H water fees to $4.67 per 1,000 gallons to bring the markup to 48%. These new fees would be effective October 1, 2012.

VII. Items for Action. (Continued)

Mr. Kueffner asked if the Cruise Ship Companies had been provided water rates for the coming season.

Mr. Uchytil said the Cruise Ship Companies like to have the water rates for the next season by January 1st so they can budget the expenses in. He sent a notification for the coming season saying the water rates would remain the same as the previous year.

Mr. Bush asked if the large decrease in fees collected from 2010 to 2011 was from a decrease in volume.

Mr. Uchytil said the fees are based on volume, but he could not explain the large decrease in fees collected. He also said the Board may want to consider an automatic increase in fees based on either a percentage of what the water department is charging or based on the Anchorage CPI.

MOTION by Mr. Bush: TO RECOMMEND A RATE INCREASE FOR POTABLE WATER TO $4.67 PER 1,000 GALLONS AND TO REVIEW THE FEES EVERY TIME THERE IS AN INCREASE FROM THE CBJ WATER DEPARTMENT TO THE FULL BOARD AND ASK UNANIMOUS CONSENT

The motion passed without objection.

2. Moorage Auto Escalator Rates.

Mr. Uchytil said we have an automatic escalation for our moorage rates based on the Anchorage CPI. For the calendar year 2011, the CPI increase was 3.2% Based on the ordinance, the moorage fees will increase 3.2% unless the Board chooses not to allow the increase. He also provided a comparison of rates in other harbors in Southeast.

Public comment

Mr. Dennis Watson said he was in favor of the 3.2% increase in moorage fees. He wished the Harbor Department required annual moorage payment in full and did not offer a monthly payment plan.

Mr. Uchytil said he did not think any action was require to allow the 3.2% moorage increase, but he did want the Finance Board to discuss the increase.

Mr. Kueffner said he thought Finance Committee should point out to the full board that public members testified in favor of the increase.

Mr. Uchytil said he is sensitive to the patron's complaints that we have one of the higher moorage rates in southeast and most of the other harbors do allow you to pay by the month.

VII. Items for Action. (Continued)

Mr. Donek said he did not feel a motion was needed but he did think the Finance Committee's recommendation to allow the increase should be forwarded to the full Board.

Mr. Uchytil said the Finance Committee did make a motion to forward the recommendation of the CPI increase to the full board at the meeting last year.

MOTION by Mr. Williams: TO RECOMMEND AN INCREASE IN MOORAGE FEES OF 3.2% IN ACCORDANCE WITH THE ANCHORAGE CPI TO THE FULL BOARD AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VII. Items for Information/Discussion.

1. Harbor Revenues & Expense Report.

Mr. Uchytil provided a revenue and expense report for Docks and Harbors. He would like to provide the report on a monthly basis as a snapshot of where D&H is financially.

Mr. Bush asked about going over budget in phone expenses.

Mr. Uchytil said he needed to work with someone in procurement and make sure items are being expensed in the appropriate expense account.

Mr. Donek provided some suggestions for refining the revenue and expense report.

Mr. Uchytil said the report still does need some refining.

2. Preparation for Assembly Finance Committee.

Mr. Uchytil said we are on the docket for the Assembly Finance Committee on the 9th of May and he wanted some feedback about what will be presented and who will present it. He gave a brief power point presentation of what would be presented to the Assembly Finance Committee. The Assembly would like to know who we are, how we are organized, how many facilities we have, where they are at and some financial information. He also included the pitch for the 1% and we are asking for 7 million for Aurora Harbor and 2.3 million for the Auke Bay haul out.

Mr. Kueffner said he and Mr. Jardell should also attend the Assembly Finance Committee Meeting. He liked the pitch for the 1% but the power point was hard to see.

VIII. Staff & Member Reports.

Mr. Williams said looked at the construction around the new visitor center and it was progressing. He also mentioned the Harbors were in good shape.

Mr. Uchytil said Trucano has seven of the twelve pilings in at the Douglas Breakwater. The final seven pilings will be finished in August. The new visitor center is running behind schedule because the siding arrived damaged.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting May 29, 2012.

X. Adjournment.

MOTION BY Mr. Williams: TO ADJOURN THE DOCKS AND HARBORS FINANCE COMMITTEE MEETING AND ASK UNANIMOUS CONSENT.

The Finance Committee Meeting adjourned at 5:55p.m.