

DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Tuesday, March 22nd, 2022
Via Zoom

I. Call to Order – Mr. Wostmann called the March 22nd, 2022 Finance Sub-Committee meeting to order at 5:00 p.m. via Zoom.

II. Roll Call – The following members attended in person at the Port Directors conference room: James Becker, Matthew Leither, Don Etheridge and Bob Wostmann.

Absent: Lacey Derr, David Larkin and Mark Ridgway

Also present: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer and Nichole Benedict – Administrative Assistant.

III. Approval of Agenda

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None

V. Approval of Wednesday March 9th, 2022 Finance Sub-Committee Meetings Minutes.
Hearing no objection, the March 9th, 2022 Finance Sub-Committee minutes were approved as presented.

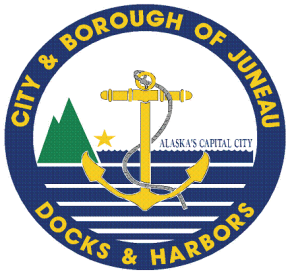
VI. Items for Information/Discussion

1. Amendment to FY23/FY24 Biennial Budget

Mr. Uchtyl shared a PowerPoint presentation showing the adjustments to the FY23/FY24 biennial budget due to insurance and fleet maintenance increases. There is also an increase to projected revenue due to the CPI adjustments and Marine Passenger Fees.

Fleet Maintenance increased \$9,900 from the projected costs given in January 2022. The more significant rate increase was to the Property Insurance. Mr. Uchtyl shared a list of insurance premiums paid by each department/division. Within the last month, the Finance Department met with the Risk Manager and decided the premiums needed to be increased by \$1.1M overall. This raised our property premiums from \$296,000 to \$426,400.

Mr. Uchtyl also shared a spreadsheet showing all of the property claims by department from FY08 through FY21. Docks & Harbors had a few significant claims over \$200,000. Since 2014 claims have risen significantly city-wide. He mentioned two large claims that are not on the spreadsheet yet, our property claim for the D Float damage and the



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Tuesday, March 22nd, 2022
Via Zoom

Riverbend Elementary School sprinkler disaster. They are predicting the sprinkler damage could be upwards of \$3M. In FY22 the deductible was raised from \$100,000 to \$500,000, leaving the property fund balance in the negative.

The next spreadsheet showed the property values by department and their percentage of the total property owned by CBJ. Below are the top five.

- School District - \$353,827,385 at 34.2%
- Public Works - \$205,932,918 at 19.9%
- Bartlett Hospital - \$107,050,000 at 10.4%
- Harbors - \$61,236,789 at 5.9%
- Docks - \$61,236,789 at 5.9%

Mr. Uchytel said he was able to get the Finance Department to approve splitting the insurance premiums at 60% for Docks and 40% for Harbors. The updated budget shows an increase in Commodities and Services for the Docks Enterprise of \$108K for FY23 and \$78K for FY24. Potential salary increase from the ongoing MEBA Union negotiations are not included in the budget. This amended budget is also now showing the increase in revenue for the recently adopted CPI adjustment.

Mr. Leither said he understood from the last meeting that our budget was about \$40K in the negative. He asked if we had already made up our ground with the CPI adjustment increase and the added \$300K from Marine Passenger Fees.

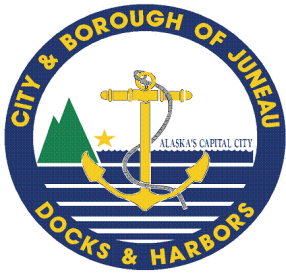
Mr. Uchytel said that was correct. We are no longer in as dire of a situation as our original budget from January 2022.

Mr. Wostmann and Mr. Uchytel discussed the math when adding the Commodities and Services line and the amount of the Fleet and Property Insurance. Mr. Uchytel offered to show every line item in the budget if members wanted to see the whole picture again.

Mr. Wostmann confirmed the budget presented was looked at and approved by the Finance Department.

Mr. Etheridge asked for clarification on the splits between the Harbor and Dock Enterprises.

Mr. Uchytel said the budget will probably change again when the MEBA contracts are negotiated. This is a reasonable approach to addressing the financial situation. These numbers are not something staff did alone but in concert with the Finance Department.



DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Tuesday, March 22nd, 2022
Via Zoom

Mr. Wostmann said he was satisfied with the budget changes and explanations tonight. He would like to set aside some time to meet with Ms. Larson to dig into the underlying numbers.

Mr. Leither said he was also happy with what was presented tonight.

Public Comment – None

Committee Discussion

Mr. Etheridge recommended to forward this revised budget to the Operations/Planning Committee and agree to the 60/40 split for the property insurance premiums.

VII. Next Meeting – April 13th, 2022 at 5:00 p.m.

VIII. Adjournment – The meeting adjourned at 5:31 p.m.