

**DOCKS & HARBORS
FINANCE SUB-COMMITTEE
MEETING MINUTES**

August 12th, 2021

I. Call to Order – Mr. Wostmann called the August 12th, 2021 meeting to order at 5:00pm via zoom.

II. The following members were present via zoom or in the Port Director’s conference room: Lacey Derr, Matthew Leither, James Becker, David Larkin, Don Etheridge, and Bob Wostmann.

Absent: Mark Ridgway

Also present were the following: Carl Uchtyl – Port Director, Teena Larson – Administrative Officer

III. Approval of Agenda – The agenda was approved as presented.

IV. Public Participation on Non-Agenda Items - None

V. Items for Information/Discussion

1. Introduction of New Members

Mr. Wostmann asked new member Matthew Leither what he wants to achieve being on this Committee?

Mr. Leither said over the course of the last few months when the Board was reviewing fees he was very interested and wanted to know more of the financial working of Docks & Harbors and that is why he is here.

Committee Discussion – None

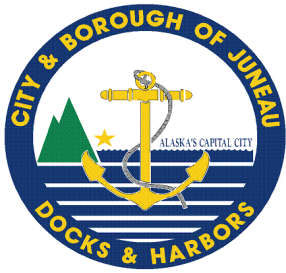
Public Comment – None

2. Review Finance Sub-Committee: Purpose, Frequency & Meeting Time

Mr. Wostmann said the purpose of the meeting tonight is to have the members think about how we are going to operate as a Committee. How can we be best structured and have the best approach for the discussions we need to have? How do we create an affective agenda so that we can get things done, and what are the goals for this coming year?

Committee Discussion-

Mr. Etheridge said the main purpose for this Committee is to look at rates, rate increases, spending, and come up with an idea on how we can best stretch our dollars out. How can we increase our income so we can continue to operate and do some of the upkeep that we have to do that has been lacking due to a shortage of finances? With the lease expense at the Juneau Fisheries Terminal and the ROW issue with the State of Alaska DOT at the Auke Bay Loading Facility, we need to seriously look at increasing our income. He hopes this



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Committee can come up with solutions to our problems and bring them to the Operations Committee. Provide solutions on gates, lighting, safety ladders, and things that have been put aside because of no funding.

Mr. Wostmann said he believes this Committee needs to find the time to dig into the details and understand the financial structures that we have with rates, fund balances, and CIP Projects. This information will need to be organized and discussed and look for opportunity to include the public in those discussions. Work with staff to condense our discussions into a draft proposal to bring to the Operations/Planning Committee for consideration and a possible motion.

Mr. Becker said with the rate structure, he thought to have a review of all the rates, whether they are raised or not and also hire professional services to help us get through analyzing the need for rate increases.

Mr. Wostmann said he believes a meeting that goes longer than an hour or an hour and a half starts to lose efficiency, or people have a hard time staying focused. He asked the members how often they would want to meet.

Ms. Derr asked if there is already a list of needed projects that the Board can look at and start there? With the list, we can start to prioritize between wants and needs. Take the needs list and prioritize by critical, high, medium, and low.

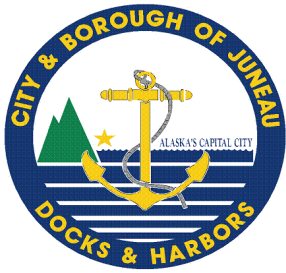
Mr. Wostmann said there needs to be a line where the responsibilities of the Finance Sub-Committee start, the Operations/Planning Committee responsibilities start, and the Board as a whole start. We respond from the direction from the whole Board where the priorities are and we need to look into where we get the money from. He believes the discussion needs to be what are the projects that need to be considered for operations or CIP funding, and what needs to be incorporated into our rate structure based on the priorities from the Board.

Mr. Etheridge said a lot of the prioritizing Ms. Derr was talking about can be discussed at the Boards retreat. There needs to be a list with expenses so we can also prioritize what we can afford.

Mr. Wostmann said he has been doing research on what makes an effective Sub-Committee and a recommendation was to time box meetings. He suggested to have meetings that last an hour or an hour and a half and have a specific amount of goals to achieve in the meeting. If those goals are not achieved move it to the next agenda and keep the time frame.

Mr. Wostmann opened the discussion on when to have meetings.

After much discussion, the members decided on the 2nd and 4th Wednesday of the month at 5pm.



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Mr. Wostmann said he will get with Mr. Uchtyl and plan the year schedule.

Public Comment - None

3. Public Outreach: Opportunities & Challenges

Mr. Wostmann said this is an important topic especially with one of our rate changes not getting through the Assembly due to them not believing we did enough public process. Mr. Wostmann asked the members for comments on how to better engage with the public?

Committee Discussion-

Ms. Derr said the Board did all the proper steps, but our patrons were lacking in information. The patrons need to seek out information that we put out. We cannot read everything to them. However, we could be doing better interacting with our public. She recommended to set a small part of our budget to join up with the State Troopers in the Kids Don't Float program, have Board members mingle with the public on the family fishing day so they know who we are and that we are their voice on the Board. Have the customer appreciation barbecue, tag onto water safety, tourism, just let people know we are here to listen and to please ask questions. She also recommended to send out public notices in the mail to the groups that would be affected by a rate increase.

Mr. Leither recommended to have a sign with a meeting notice at the top of the ramp going down to the Harbor.

Mr. Wostmann said putting up a sign at the top of the ramp is very easy. He asked if staff has the email addresses of most of our patrons?

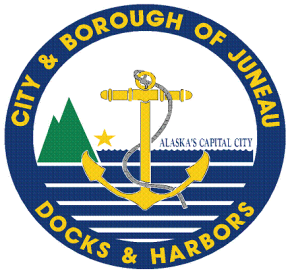
Mr. Uchtyl said yes.

Mr. Wostmann asked if in the past emails have gone out to different user groups on rate increases and such?

Mr. Uchtyl said he sent an email out to all live-aboards and a letter was mailed to those that did not provide an email address. Information is put in our newsletter that goes out monthly, we post information on our Facebook site, and our website.

Ms. Larson said we have recently posted our meeting schedules at the top of the ramp of the Harbors.

Mr. Wostmann said in our process going to the different meetings, it needs to be documented better on the public participation and so no one can say there was not enough public time for public to speak up.



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Mr. Etheridge said he will contact the Mayor in the future so she is aware of what is going on with any large items going forward.

Mr. Leither asked if the Board is allowed to put an op ad in the Juneau Empire?

Ms. Derr said publishing costs are upwards of \$250 per publication.

Mr. Wostmann said that may be a way to get the word out on a large change.

Mr. Leither said his thought would be to have a Board member write a letter to the editor letting people know what we are doing.

Ms. Larson said in regulation it is required to put the changes in the paper and they were all advertised.

Mr. Wostmann said if we embark on a rate increase for moorage, writing a letter to the editor in the beginning of our process and giving reasons for the rate increase would be a good idea and he does not know of a fee that would be charged for that.

Mr. Etheridge said he thinks writing a letter to the editor would be okay with a large change.

Mr. Uchytel said for the last four or five months now, he has been blind copying patrons who came to the meetings and indicated they were not aware of the rate changes. He said he is on Action Line typically the fourth Wednesday of every month at 10:30 and the agendas are always discussed.

Mr. Leither said maybe our goal should be to get people on our side and provide our rationale.

Public Comment - None

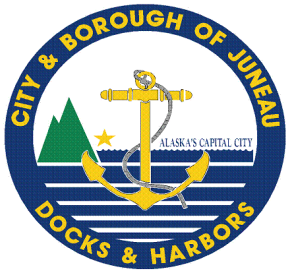
4. Discussion of Goals for Coming Year
 - a. Review & Revise Fee Structure

Mr. Wostmann asked for comments or suggestions on how we should be setting rates? What are the components of a rate to be considered? He asked staff to provide a list of all the rates the Board is responsible for, and at the next meeting he wanted to refresh our discussion on rates for the new for-hire floats at Statter Harbor.

Committee Discussion

Mr. Etheridge said the rates for the for-hire floats need to be done as soon as possible to give the operators an opportunity to adjust their rates for next year.

Mr. Wostmann said looking at any rates, there are components for operations, generate funds to replace the asset, and build a reserve to be able to build new facilities. Each rate



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will be enacted specifying the rate will be adjusted annually based on the CPI and current circumstances. He asked what a fair rate is and are we currently charging enough?

Ms. Derr said the Committee knows we need to increase our rates and the Assembly has told us they are not opposed to increasing rates but they want to see why and how we did our homework. She asked staff if we do start identifying rates that need adjusting, is there someone in the CBJ Finance department that can assist us with putting these rates in the formulas with the numbers we need to get the outcome. She said her opinion is to go with the Harbor Rate study. We can identify our needs and tell them what we want. The cost will be based on how in-depth we are looking at.

Mr. Wostmann said he is in favor to bring in someone with more expertise on how to identify the components of any particular rate should be. We would have the justification for why a rate is what it is. There could also be another component which is the “catch up” component.

Mr. Etheridge said the Operations and the Board passed a motion to do the rate study and put out a RFP.

Mr. Uchytel said he will draft the RFP and he will have it before the next Finance Sub-Committee meeting.

Mr. Wostmann asked for a list of all the rates charged by Docks and Harbors and when the rates were last revised.

Mr. Uchytel said this was just provided last spring.

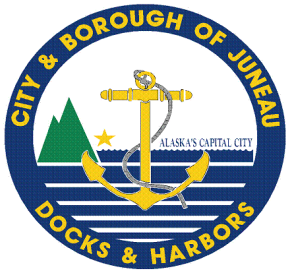
Ms. Derr suggested to focus on areas that our time could be spent better. She said other CBJ Departments have contacts to clean other CBJ restrooms and they are saving upwards of \$30,000 by hiring contractors to clean bathrooms rather than having CBJ staff do that work. She is looking for alternative sources to save money that are cheaper and just as effective.

Mr. Wostmann recommended to add - d. find holes in our expenditures

b. New Revenue Sources

Mr. Uchytel said on page two of the packet is the Docks projected revenue and expenditure which shows a deficit of \$767,000 and that will be a transfer from our fund balance of \$2.6M. The Harbors projected revenue and expenditure show a surplus of \$366,000 for the end of FY21 leaving a \$305,000 fund balance for Harbors.

c. CIP Requirements



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Mr. Uchtyl said on page four is the CIP list six year plan. This is a planning document that CBJ Engineering tracks. In November of every year, Docks & Harbors is asked to update this.

Mr. Wostmann pointed out that the project expense on the slides do not match the six year plan project expenses. He asked where the discrepancies are?

Mr. Uchtyl said on page six in the packet is what was presented in January which was a CIP project list put together quickly for the \$500M Bond package that the State was talking about offering. The City Manager asked what projects Docks & Harbors wanted considered and this is what staff came up with. The discrepancies in the smaller numbers in this packet are due to recommendations to not ask for the entire project amount. On page 13 in the packet is a list from the 2017 Board retreat that lists all the good projects that can be completed. He said there are other projects that can be included in this list.

Mr. Larkin left the meeting at 6:17pm.

d. find holes in our expenditures

Public Comment - None

VI. Action Items –

Mr. Wostmann recommended the Committee Members go back and review the rate studies from the three different communities. There is useful information on how a rate structure is created. This will help when working on our rate structure for the for-hire floats in Statter Harbor.

Ms. Derr said she is adding notes for the retreat items.

Mr. Wostmann said he will get with Mr. Uchtyl to come up with a schedule for the finance meetings for the coming year.

VII. Next Meeting – August 25th at 5pm. This will be an hour meeting with 15 minute over run to finish business.

VII. Adjournment – The meeting adjourned at 6:20pm.