

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES

For Thursday, April 23, 2009

I. Call to Order.

Chairman Preston called the Finance Committee meeting to order at 5:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Ethridge, Mr. Preston, Ms. Jebe and Mr. Kueffner.

The following members were absent: Mr. Fisk, Mr. Jardell and Mr. Mehrkens.

Also in attendance were the following: Mr. McLeod –Administrative Officer

III. Approval of Agenda.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS PRESENTED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Approval of Previous Meeting Minutes.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE MARCH 26, 2009 FINANCE COMMITTEE MEETING MINUTES AS PRESENTED.

The motion passed without objection.

VI. Items for Action.

1. Proposed Amendments to Fees and Charges Regulations.

Mr. McLeod said the Board is proposing to add a regulation that allows for promotional or special moorage rates at the IVF and small boat harbors. One promotion under consideration is a special summertime moorage rate to help fill a surplus of small stalls in the harbor system. The purpose of the amendment is to allow the establishment of special and promotional rates of a temporary nature in order to encourage use of the facilities. The Board is also proposing to add an hourly parking fee to the Statter Harbor Parking Lot fee regulation. The proposed fee is \$1 per hour. The proposal would also allow the Board to charge fees at other parking lots under it's control, although there is no current plan to charge a fee at other lots.

There was brief discussion between Committee members.

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VI. Items for Action (continued).

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO RECOMMEND THE BOARD ADOPT AMENDMENTS TO FEES AND CHARGES REGULATIONS AS PROPOSED.

The motion passed without objection.

2. Minor Change to Docks and Harbors FY10 Amended Budget Adding and Funding the Equipment Replacement Reserve Schedule Account.

Mr. McLeod said he would like to establish an Equipment Replacement Reserve Schedule Account. The purpose of the account would be to establish a formalized method for replacing capital equipment used in daily operations of Docks and Harbors. The account would be established with funds from the Docks and Harbors Reserve Fund Balance starting in FY10. The FY10 contribution would be \$69,625, funded from the fund balances in Docks (\$27,366.67) and Harbors (\$42,458.33). Because this fund draws interest on the balance from year to year, it will eventually become possible to stop our yearly contributions and allow the interest payments to fund future purchases.

Mr. Kueffner asked if the recent truck purchase was included in the equipment listing provided.

Mr. McLeod said the truck was not included because we have not yet received it.

Mr. Preston asked for an explanation for the reasons to have a combined Docks and Harbors Equipment Reserve Account.

Mr. McLeod said having one account was the easiest way for Finance to keep track of the funds.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE BOARD ADOPT CHANGES TO THE FY10 AMENDED BUDGET FOR DOCKS AND HARBORS AS RECOMMENDED.

The motion passed without objection.

VII. Items for Information/Discussion.

1. Water Utility Billings.

Mr. McLeod said the CBJ Port was recently informed that the Water Department is back billing the Port for a period of one year for water usage at the IVF Float. Water Department personnel has been incorrectly recording the water usage at this location for several years. The Water Department ascertained their error in March, 2009 and submitted a back bill for one year totaling almost \$14,500. We are asking the Law Department to review the circumstances of this situation and render an opinion that the Public Works Department, Water Utility has incorrectly billed the Port in excess.

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VII. Items for Information/Discussion (continued).

We feel that The Public Works Department should back bill the Port according to CBJ Code 75.01.100 which limits back billing to three months.

Mr. Preston said at the time the billing error occurred, we were paying for the minimum use. If they had been reading the meter correctly they would have discovered a large consumption of water during the time the IVF Float was not in use. When the water was shut off to replace the meter, a large leak was discovered. There was no consideration made for the leak which had been present for several years.

Mr. McLeod said that the Legal Department has ruled that the one-year back billing is within the limitations period according to Alaska Statutes.

Mr. Kueffner said he would like to look further at this information item.

Mr. McLeod said the meter now has been replaced the old meter cannot be located. The Public Works Department has already taken the \$14,500 from the Docks and Harbors account.

2. Delinquent Lease Rent.

Mr. McLeod said Mr. George Jefferson is delinquent on his lease payments for tideland Lease ADL#103289 where The Thane Ore House is located. The outstanding balance owing is \$6,557.60 and he is now over 180 days past due. Mr. Jefferson was sent past due notices on 12/2/08, 1/8/09 and 2/4/09. A final letter was sent on 4/7/2009 stating that he is in default on his loan and he has 60 days to resolve the delinquency before his lease is terminated. We went through the same process with Mr. Jefferson last year.

Mr. Preston asked when the 60 days would end.

Mr. McLeod said it would be 60 days from 4/27/09, so the lease will terminate on 6/7/2009. He is willing to work with Mr. Jefferson to get this lease paid, however he does not want to go through a similar process every year to collect the lease payments.

3. Lease Rent Renewal Status Report.

Mr. McLeod said there are nine leases due this year for rent adjustment. After review by the Port Director and the Administrative Officer, the decision was made to leave eight of the lease rent payments at their present levels.

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VII. Items for Information/Discussion (Continued)

One lease, DIPAC Tideland Lease, we are recommending be raised from .13 cents per square foot to .15 cents per square foot. This increase, if adopted, would raise DIPAC's yearly rent from \$27,630 to \$31,885, an increase of \$4,255 per year.

Mr. Preston asked if there were any lease renewals due this year.

Mr. McLeod said he is still going through all tideland leases and is not aware of any renewals due this year. He did speak with a leaseholder who would like to extend his lease. Mr. Myron Kleine's lease expires in 2016 and he is using his business located on that lease as collateral on a loan.

Ms. Jebe said the Board had just extended the lease for Channel Marina/DJG Development recently from five years to thirty-five years.

Mr. Kueffner asked what was the basis for leaving all eight leases at their current lease rates.

Mr. McLeod said the eight leases up for renewal are paying a comparable rate based on surrounding tideland lease rates.

VIII. Staff & Member Reports.

Mr. McLeod said he received an email from APARC, the company we are buying the parking meters for the Statter Harbor Parking from, and the meters will be ready for installation May 1, 2009. The company is experiencing problems with their credit card processing company and they will not be able to provide credit card processing prior to June 1, 2009. Credit card payment for parking will have to be processed in the office until this issue is resolved.

IX. Committee Administrative Matters.

The next Finance Committee Meeting will be Thursday, May 21, 2009.

X. Adjournment

MOTION: by Mr. Etheridge: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING.

The meeting was adjourned at 5:48 p.m.

