

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES

For Tuesday, March 29, 2011

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:00 p.m. in room 224 of the Assembly Building.

II. Roll Call.

The following members were present: Don Etheridge, Tom Donek, Kevin Jardell, Cheryl Jebe, Jim Preston, Greg Busch and Eric Kueffner.

Also in attendance were the following: John Stone-Port Director and Angelica Lopez-Campos-CBJ Accountant.

III. Approval of Agenda.

MOTION by Mr. Jardell: TO 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.

Hearing no objection, the minutes of the February 22, 2011 Finance Committee Meeting were approved as presented.

VI. Items for action.

1. FY11 Expense and Revenue Reports.

Mr. Stone introduced Angelica Lopez-Campos, who works for the CBJ Finance Department. She keeps track of all Docks and Harbors expenses, revenues and she does our Budget. She was available to answer questions about the Expense and Revenue Reports.

We have been looking at primarily the FY11 expenses. We have spreadsheets that Angelica did for Harbors Enterprise and for Docks Enterprise. They list the expenditures and revenues for each enterprise. In one column we have the FY11 budgeted amount and then the FY11 projected amount in the next column and then there is a column for the revised FY12 budgeted amount and the Board approved that amount earlier in the year.

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VI. Items for action (Continued).

We believe we are going to have a significant over expenditure of personnel in Harbors for this year. We are projecting that we are going to spend about 1.45 million and we budgeted 1.277 million. The rest of the expenses are a little below what we had projected. The over expenditure is primarily related to extending some of the seasonal staff's employment through to December to complete some maintenance projects. They took off finger floats, went through entire water systems, checked all the lights, finished some bull rail at Statter Harbor, and checked electric pedestals. As a result, the Bottom line for Harbor expenditures is over by \$127,400.00 over the budgeted amount. We need to go back to the assembly and get them to increase the Harbor expenditure budget to match what we think the actual expenses for the year will be at the 3.344 million.

There is a concern that we will not meet the revenue bond requirement of 20% surplus revenue to debt service ratio for FY11.

Mr. Busch asked if we would still be bringing the Seasonal employees back early and if the projections included that.

Mr. Stone said he believed we would be bringing the seasonal staff back April 12th. We originally planned to bring them back on April 1st, so we are delaying their return by one pay period. For FY12 we are hoping to bring them back around April 1st.

Mrs. Jebe asked if the 20% surplus revenue to debt was a current bond or is it bonding to be in the future.

Ms. Lopez-Campos said Docks and Harbors in currently paying for the bond and it is about \$752,000 per year. This shows up under the Harbors Transfer fund because it is a separate fund.

Mr. Kueffner confirmed that the \$752,000 is a debt service on the revenue bond.

Ms. Lopez-Campos said it is an annual payment with interest.

Mr. Stone said back in 2007 we did a revenue bond for three projects; 4.25 Million for the ABLF, 4.25 Million for Douglas Harbor and 1.4 Million for Deharts Marina.

Ms. Lopez-Campos said the payments are over a 25 year period from 2007 to 2032. The original bond was for \$10,600,000.

Mrs. Jebe asked if the surplus beyond the \$752,000 also went toward the bond debt.

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VI. Items for action (Continued).

Mr. Stone said the surplus goes into the harbor reserves and the Board can use that over time for other projects. The 20% is an assurance that Docks & Harbors is charging enough fees to lesson the risk that they will not be able to pay over time.

Mr. Stone said Docks Enterprise has a similar issue with personnel expense but it is much smaller. Personnel expenses are greater than budgeted by \$27,900.

Mr. Kueffner asked about the budgeted amount of (18,000) in CIP Dock OH to CIPs for FY11 and (291,000) for FY12.

Mr. Stone said those figures represent the Port Engineers personnel cost.

Ms. Lopez-Campos said the figures represent the Port Engineers time that is not charged to a specific CIP. At the end of the year we allocate this figure among the CIPs that they worked on.

MOTION by Mr. Jardell: TO RECOMMEND THE BOARD APPROVE ADJUSTMENTS TO THE FY11 DOCKS AND HARBORS BUDGETS AS RECOMMENDED BY THE PORT DIRECTOR AND TO FORWARD TO THE CITY MANAGER FOR PRESENTATION TO THE ASSEMBLY AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VII. Items for Information/Discussion.

There were none.

VIII. Staff & Member Reports.

Mr. Stone said we will be looking at some lease rate renewals at the next Finance Meeting. We sold four waterfront sales permits at the auction this year and they went for a little less than previous years.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting – April 26, 2011 in CBJ room: 224.

X. Adjournment.

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

The meeting adjourned at 5:35 p.m.