



Port of Juneau

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From: *Carl J Uchytel*
Carl Uchytel, Port Director

To: City & Borough of Juneau Assembly

Via: (1) Docks & Harbors Operations & Planning Committee
(2) Docks & Harbors Board

Date: February 10th, 2023

Re: Funds Transfer Request – Housekeeping & Aurora Harbor Phase III

1. Docks & Harbors, working in collaboration with the Finance Department, needs to execute administrative actions to advertise and award a contract for the Aurora Harbor Phase III project in a timely manner. We are anticipating a \$4M construction project by leveraging \$2M in local match with \$2M from an ADOT Harbor Facility Grant. We were formally notified on July 13th, 2022 that we were the recipient of the \$2M ADOT grant and that we had six months to complete a grant agreement contract. We requested and received an extension to July 31st which requires Docks & Harbors to award a construction contract for the project. We are on track for the Assembly to approve a bid award on March 20th for the Aurora Harbor Phase III project.

2. The local match will be achieved through \$1M from the Harbor Fund Balance, which has already been transferred into the Capital Improvement Project (CIP H51-125); and, \$1.5M from the voter approved 2017 One-Percent Sales Tax Initiative. The challenge with the funding from the 1% Sales Tax is that, due to annual apportioning, these funds will not be available until July 1st, 2023. In order to meet our desire for a bid award in March, I am recommending that funds be temporarily transferred from another harbor CIP and then refreshed with the funds in FY24 when the funds are made available from the CBJ Treasury. The governing philosophy is that we cannot award a project without sufficient funds even though funds will be available prior to the contractor mobilizing on site. There is no risk that the \$1.5M will not be available to Docks & Harbors on July 1st, 2023 – at the start of FY24.

3. CBJ protocol allows projects with a balance to administratively transfer fund to another project via Assembly action. To achieve the necessary cash flow, Docks & Harbors staff is recommending closing our completed CIP for Pile Anode Installation and then transferring those funds into the Statter Improvement Phase III. We then transfer \$1.5M from the Statter Improvement to the Aurora Harbor CIP. In July 2023, \$1.5M of 1% Sales Tax will be made available to the Aurora Harbor Phase III project, and \$1.5M that was temporarily transferred from Statter Improvement Phase III will be transferred back to support remaining project work. Even though the Statter Improvement Phase III project is currently under construction, I am confident we can manage through substantial completion (May 15th) even with the funds transferred as proposed. In tabular form these are the desired administrative actions:

<i>Action</i>	<i>Amount</i>	<i>From</i>	<i>To</i>
Transfer	\$54,731.48	H51-121 Pile Anode Installation [Close out due to successful project completion]	H51-108 Statter Improvement Ph III [Funds Available after transfer \$1,579,898]
Transfer	\$1,500,000	H51-108 Statter Improvement Ph III [Funds Available \$79,898]	H51-125 Aurora Harbor Improvements [Funds Available after transfer \$2,135,869]
Appropriation FY24	\$1,500,000	CBJ Treasury - 1 July 2023	H51-125 Aurora Harbor Improvements [Funds Available after transfer \$3,635,869]
Transfer	\$1,500,000	H51-125 Aurora Harbor Improvements [Fund Available after transfer \$2,135,869]	H51-108 Statter Improvements Ph III [Funds Available after transfer \$1,579,898]

2. I recommend the Docks & Harbors Board approve the above transfer and recommend the Assembly adopt the appropriate ordinance.

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Copy: CBJ Finance Department