



EAGLECREST FINANCE COMMITTEE MEETING AGENDA

August 29, 2024 at 5:30 PM

Fish Creek Lodge Great Room/Zoom Webinar

Join Zoom Meeting

<https://juneau.zoom.us/j/89008297406?pwd=kR5sRuUW74TqramLbOt0JS9P81xAMT.1>

Meeting ID: 890 0829 7406

- A. **ROLL CALL**
- B. **Letter to the CBJ Finance Committee Concerning the Sept 18, 2024 discussion of loan versus increased general fund support**
- C. **Update on available funding sources and projects to be completed for the start of the 2024/25 season.**
 - 1. **FUNDING SOURCES**
 - i. Update on available CIP funds
 - ii. Packer Funds \$334,000
 - iii. Undistributed Eaglecrest Foundation funds \$200,000
 - 2. **PROJECTS**
 - i. Other staff recommendations
 - ii. Potential Financial Impact of Pay Plan Restructuring
 - 3. **Discussion of use of Eaglecrest Foundation funds**
- D. **2024 Year end numbers completion date (October 2024)**
- E. **Other agenda items**
 - 1. **ATTACHMENTS**
 - i. Letter to the Assembly
 - ii. Adrien's Memo
- F. **ADJOURNMENT**

To: CBJ Assembly Finance Committee
 From: Eaglecrest Board of Directors
 Date: September 18, 2024
 Re: FY 25 Increased funding

During the development of the FY 25 budgeting process, Eaglecrest requested a loan of \$518,000 to cover the cost of increased personnel services, as well as increases to insurance cost and full cost allocation. The concept of a loan versus an increase of general fund support to an operating department within CBJ was that the loan would be paid back the following year from revenues from the gondola project in FY 26.

The Eaglecrest Board of Directors was asked to comment on the concept of the loan and whether this increased funding would be needed in FY 26.

First, a very brief overview of the increases in expenses. More detail can be found by reading the attachment to this document. The primary increase in expenses was in personnel services. Eaglecrest increased funding to all positions by 6% and with realignment of several positions, increasing in steps to some positions, sign on bonuses, etc., the total in salaries increased 8.8%, related benefit costs went up 7.2%, overtime wages increased 17.8%, decreased transfers to CIP projects and increases in Worker's Comp brought the total personnel services increases to 12.9%.

Materials and commodities increased in the full cost allocation by 23% and ski area specialty insurance increased by 30.8%. Miscellaneous other operating costs increased by \$17,500. It was also decided rather than to increase to the deficit in Eaglecrest Fund Balance, the loan would fund the FY 24 operating deficit estimated to be \$108,500.

FY 25 Funding Increase Explanation	FY24 Budget	FY25 Budget	Increase	Variance %
Salaries (5110)	\$ 1,518,200	\$ 1,651,800	\$ 133,600	8.8%
Benefits (5120)	\$ 577,600	\$ 619,300	\$ 41,700	7.2%
Overtime Wages (5111)	\$ 56,300	\$ 66,300	\$ 10,000	17.8%
Deferred Comp Employer Match (5121)	\$ 8,700	\$ 6,600	\$ (2,100)	-24.1%
All Other Workforce (5141) - transfer to CIP projects	\$ (127,300)	\$ (61,900)	\$ 65,400	-51.4%
Worker's Comp (5130)	\$ 78,000	\$ 100,800	\$ 22,800	29.2%
Total Personnel Services	\$ 2,111,500	\$ 2,382,900	\$ 271,400	12.9%
Full Cost Allocation	\$ 361,500	\$ 444,600	\$ 83,100	23.0%
Specialty Insurance	\$ 121,600	\$ 159,100	\$ 37,500	30.8%
Other Operating Expenses			\$ 17,500	
Funding FY 24 Operating Deficit			\$ 108,500	
Total Funding Increase			\$ 518,000	

While Eaglecrest, with 70% cost recovery, is a highly successful community recreation facility, it cannot avoid the costs directly related to its status as a city department. Eaglecrest's pricing structure and programs allow adults to fully pay for the services they receive while youth are subsidized by the general fund support. The investment in summer operations, especially the gondola, is an effort by Eaglecrest to reduce CBJ direct support.

When the request for the loan was made, the gondola was assumed to be operational in FY 26. The gondola will not be operational in FY 26 and therefore the revenue to repay the loan will not be available at that time. In addition, personnel services, full cost allocation and specialty insurance costs are all expected to continue to increase.

Once the gondola is operational there is no guarantee that it will become financially self-sustaining from day one of operations. Many businesses struggle to gain financial viability for the first few years of operation.

Due to the change the operating outlook for the gondola, the Eaglecrest Board of Directors requests that the Assembly increase the level of General Fund Support to Eaglecrest until such time as the Eaglecrest Gondola Project creates sufficient fund balance to begin reducing the level of general fund support. This would be in lieu of the loan.

Kirk Duncan

From: Adrien Wendel
Sent: Monday, August 12, 2024 6:11 PM

To: Kirk Duncan

Subject: RE: September 18th Finance Committee meeting materials

Attachments: RE: Rental Retail Repair Supervisor; Eaglecrest FY24 to FY25 Personnel Service Comparison.xlsx

Categories: Red Category

Hi Kirk,

Sorry for the lengthy email, but I wanted to address all your questions thoroughly.

- The increase in general fund support to Eaglecrest in the FY25 budget of \$518,800 is a *loan*. The Assembly would need to take specific action to reverse this decision from a loan to an increased general fund subsidy.
- I attached an email that provides additional detail about the year-round rental shop manager and community outreach support specialist positions. If my recollection serves, Dave eliminated the assistant rental shop manager position to turn the rental shop manager into full time, and he eliminated the youth community outreach coordinator position to turn the community outreach support specialist position into full time. Both of those changes were made in the FY24 budget, so wouldn't be included as part of the FY24 to FY25 personnel service increase amount. But, I could be wrong, because it looks like the assistant ski shop supervisor position is listed again in the FY25 staffing schedule.
- Regarding the FY24 to FY25 PS increase:
 - If you compare the FY24 and FY25 adopted "total wages and benefits" columns (which are informed directly from the staffing schedules) on the "Staffing Overview" tabs of the budget workbook, FY24 lists \$2,078,800 and FY25 lists \$2,251,100. This is only an 8.3% increase in actual wages and benefits costs, of which 6% is the approved pay scale increase. The remaining 2.3% is a result of benefit increases (this has a bigger impact the more year-round staff Eaglecrest employs), range classification changes, hiring employees in at higher steps, etc.

Department: Eaglecrest
 Division:

FY2024 Department Staffing Overview
 Eaglecrest

	Personnel												
	Total FTEs	Total Wages (5110-0000)	H&W (5120-0000)	Other Benefits (5120-0000)	Total Wages & Benefits	Vacancy Factor	Vacancy Amount (5100-0000)	Overtime - Wages (5111-0000)	Overtime - Benefits (5120-0000)	Shift Differential/Standby Pay - Wages (5110-0000)	Shift Differential/Standby Pay - Benefits (5120-0000)	Worker's Comp (5130-0000)	Engineering Workforce (5140-0000)
Eaglecrest													
Administration	5.00	387,200	107,100	116,200	610,500	0.0%	-	10,000	3,000	-	-	78,000	-
Ski Patrol	5.03	205,700	8,600	21,900	236,200	0.0%	-	6,000	1,800	-	-	-	-
Lift Operations	3.85	106,100	-	9,200	115,300	0.0%	-	20,000	6,000	-	-	-	-
Mountain Maintenance	6.34	291,600	64,300	61,400	417,300	0.0%	-	5,600	1,700	-	-	-	-
Base Operations	2.60	99,200	21,400	18,100	138,700	0.0%	-	6,000	1,800	-	-	-	-
Snow Sports School	6.22	231,900	21,400	31,200	284,500	0.0%	-	3,500	1,100	-	-	-	-
Food Service	1.06	42,700	-	3,700	46,400	0.0%	-	2,200	700	-	-	-	-
Ski Rental Shop	2.54	87,000	21,400	16,600	125,000	0.0%	-	3,000	900	-	-	-	-
Marketing	1.35	66,800	21,400	16,700	104,900	0.0%	-	-	-	-	-	-	-
Dimond Park Field House	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Eaglecrest	33.99	1,518,200	265,600	295,000	2,078,800			56,300	17,000			78,000	

FY2025 Department Staffing Overview
 Eaglecrest

	Personnel												
	Total FTEs	Total Wages (5110-0000)	H&W (5120-0000)	Other Benefits (5120-0000)	Total Wages & Benefits	Vacancy Factor	Vacancy Amount (5100-0000)	Overtime - Wages (5111-0000)	Overtime - Benefits (5120-0000)	Shift Differential/Standby Pay - Wages (5110-0000)	Shift Differential/Standby Pay - Benefits (5120-0000)	Worker's Comp (5130-0000)	Engineering Workforce (5140-0000)
Eaglecrest													
Administration	5.00	433,900	110,400	130,200	674,500	0.0%	-	20,000	6,000	-	-	100,800	-
Ski Patrol	5.13	227,900	8,800	24,100	260,800	0.0%	-	6,000	1,800	-	-	-	-
Lift Operations	3.51	100,400	-	8,700	109,100	0.0%	-	20,000	6,000	-	-	-	-
Mountain Maintenance	5.94	304,600	66,200	66,700	437,500	0.0%	-	5,600	1,700	-	-	-	-
Base Operations	2.74	106,800	22,100	19,400	148,300	0.0%	-	6,000	1,800	-	-	-	-
Snow Sports School	5.83	233,200	22,100	32,100	287,400	0.0%	-	3,500	1,100	-	-	-	-
Food Service	1.06	38,600	-	3,300	41,900	0.0%	-	2,200	700	-	-	-	-
Ski Rental Shop	3.43	133,700	22,100	22,800	178,600	0.0%	-	3,000	900	-	-	-	-
Marketing	1.35	72,700	22,100	18,200	113,000	0.0%	-	-	-	-	-	-	-
Dimond Park Field House	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Eaglecrest	33.99	1,651,800	273,800	325,500	2,251,100			66,300	20,000			100,800	

- The other changes are as follows:
 - Overtime wages and benefits: increase of \$10,000 from FY24 to FY25, or 17.7%.
 - Worker's comp: increase of \$22,800 from FY24 to FY25, or 29.2%.

- Reduction to operating budget for CIP hours: increase to operating budget of \$65,400 from FY24 to FY25, or 51.4%.
 - I put together the attached comparison for you that compares FY24 to FY25 budgeted salaries/wages by class title. There were significant increases to the Base Operations Director position wages (\$24K increase, or 24%), large increases to budgeted ski patrollers, a \$17K increase to the assistant ski shop supervisor position (which wasn't budgeted in FY24, per my note above), and generally large increases throughout the Ski Rental Shop (partially due to turning one of the positions into year-round). This analysis is just for informative purposes, and to help you understand which positions were your greatest cost drivers between FY24 and FY25.
- On your spreadsheet, one thing I noticed is that your percentage calculations in column G appear to be referencing the incorrect cells for WC and Salaries/Benefits:

	FY24	FY25	Increase	% Increase
\$	2,033,500			
	Budget	Budget		
Personnel Services	\$ 2,111,500	\$ 2,382,900	\$ 271,400	12.85%
Increase in Workers Compensation Insurance	\$ 78,000	\$ 100,000	\$ 22,000	=+F7/D6
Increase in Salaries and Benefits	\$ 2,033,500	\$ 2,282,900	\$ 249,400	11.81%

- I think it would also be helpful to also include a column in the presentation for FY24 actuals. This will help give the Assembly an idea of whether Eaglecrest's budget is on par with their operations, or whether major adjustments need to be made.

I held off for now in doing a thorough review of the numbers. Do you want to incorporate FY24 actuals, then send me a final version to review and ensure everything aligns with records on my end? I make have a few formatting suggestions at that time to align the presentation in a way the Assembly and public are used to seeing.

Thanks,

Adrien Wendel
 Budget Manager, City and Borough of Juneau
 (907) 586-5215 ext. 4058

From: Kirk Duncan <Kirk.Duncan@skleaglecrest.com>
Sent: Thursday, August 8, 2024 6:48 AM
To: Adrien Wendel <Adrien.Wendel@juneau.gov>
Subject: September 18th Finance Committee meeting materials

Good morning Adrein

Eaglecrest FY24 to FY25 Personnel Service Comparison

	FY24 Budget	FY25 Budget	Variance %
Salaries (51110)	1,518,200	1,651,800	8.8%
Benefits (5120)	577,600	619,300	7.2%
Overtime Wages (5111)	56,300	66,300	17.8%
Deferred Comp Employer Match (5121)	8,700	6,600	-24.1%
All Other Workforce (5141)	(127,300)	(61,900)	-51.4%
Worker's Comp (5130)	78,000	100,800	29.2%
	2,111,500	2,382,900	12.9%