

## Manager Report

### Regular City Council Meeting

November 10, 2022

Interim Manager Chris Hladick

1. **DC Trip:** We are in full preparation mode for the Washington DC trip. This meeting we will discuss federal priorities and the contents of last year's resolution and this year's congressional briefing memo. The congressional briefing memo will be completed two weeks out from the trip or the end of November.
2. **State Priorities:** We will be discussing state priorities in December. The legislative session starts the third week in January and we will need to have CAPSIS (the legislative capital project database) updated by then, so we have plenty of time to prepare.
3. **Title 3 historical information:** Regarding raises and wage scale changes, I promised to have this information to the council by this week but am unable to provide such because the finance person who can do this for me was out on vacation. I will get it to the council as soon as I can.
4. **Executive Session:** I have scheduled an executive session to discuss city manager recruitment and an update on legal issues. Brooks Chandler will be back from vacation, I may ask him to join.
5. **Employee Christmas Party:** The Christmas Party will be December 3 at 6 pm at the Grand. This party is put on by the city council and mayor in appreciation of our staff.
6. **CMMP:** Bil Homka and I will be working on this issue early next week. My goal is to prepare for a workshop to include a schedule for this year's process and get direction from the council on some basic questions. Such as if we have \$90 million in projects that we can't get done should we be listing more? There needs to be a schedule for getting the current projects done.
7. **Depreciation:** There was a council question, in the past, regarding whether or not we had to include depreciation in the proprietary funds (utilities). I asked Tim Altman, who was the primary owner of Altman Roger's who has audited the city finances in the past and has done many municipal governmental accountings over the years in Alaska. He said, "Utilities are accounted for the same as a business and the utilization of assets over their useful life has to be charged as a cost of operations. Capitalization of assets when purchased and subsequent write off through depreciation is a requirement of all proprietary funds. This is a GAAP requirement and to not follow would result in a modified opinion." When the current auditor's present the audit findings later this year we can continue the conversation, but I would not advise not booking depreciation as it may affect our ability to bond a project.
8. I will be leaving the island on November 5, 2022.