DOCKS & HARBORS
FINANCE SUB-COMMITTEE
MEETING

Wednesday, February 23rd, 2022
Zoom Meeting: https://bit.ly/3HxpJcl
Meeting ID: 891 1684 3462
Passcode: 033976
Call In: 253 215 8782

I. Call to Order – February 23rd, 2022 at 5:00pm

II. Roll Call (Lacey Derr, James Becker, David Larkin, Matthew Leither, Mark Ridgway, Don Etheridge and Bob Wostmann)

III. Approval of Agenda

IV. Public Participation on Non-Agenda Items (not to exceed five minutes per person, or twenty minutes total time)

V. Approval of Wednesday February 9th, 2022 Finance Sub-Committee Meetings Minutes.

VI. Items for Information/Discussion

1. Pre-Hearing Discussion - Dockage Charges (05 CBJAC 15.030)
   Presentation by Docks & Harbors Staff

   Committee Discussion/Public Comment

2. Pre-Hearing Discussion – Application of CPI to Title 05 - Chapters 15, 20, 30 & 40
   Presentation by Docks & Harbors Staff

   Committee Discussion/Public Comment

3. Proposal – Statter Harbor Moorage Fee Surcharge
   Presentation by Sub-Committee Member Leither

   Committee Discussion/Public Comment

4. [Time Permitting] Incentivizing Harbors Rate to encourage Green Technologies
   Presentation by Docks & Harbors Staff

   Committee Discussion/Public Comment

VII. Sub-Committee Action Items
VIII. Good of the Order
VII. Next Meeting – March 9th, 2022 @ 5:00pm
VIII. Adjournment

DOCKS & HARBORS
FINANCE SUB-COMMITTEE MEETING MINUTES

Wednesday, January 26th, 2022
Via Zoom Meeting

I. Call to Order – Mr. Wostmann called the meeting to order at 5:00 p.m. on January 26th, 2022.

II. Roll Call – The following members were in the Port Director's conference room or via Zoom; Lacey Derr, James Becker, David Larkin, Matthew Leither, Mark Ridgway, Don Etheridge and Bob Wostmann.

Also Present: Carl Uchytil – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer, Nichole Benedict – Administrative Assistant I.

III. Approval of Agenda

MOTION BY MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND AS UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None

V. Approval of Wednesday January 12th, 2022 Finance Sub-Committee Meetings Minutes. Hearing no objections, the January 12th, 2022 Finance Sub-Committee meeting minutes were approved as presented.

VI. Items for Information/Discussion

1. Proposal by Mr. Leither – Statter Harbor Moorage Fee Surcharge
   This proposal can be found on page eleven in the agenda packet. The proposal is for a 25% surcharge for permanent slip holders at Statter Harbor, in addition to their regular moorage.
   - Possession of a permanent slip offers multiple benefits over transient moorage, and costs should reflect this.
   - Demand greatly outstrips supply for permanent slips in Statter Harbor.
   - In the current system, patrons with permanent slips have the opportunity to pay less in total harbor fees than those in transient moorage.
   - If patrons with permanent slips are unwilling or unable to pay the proposed surcharge, there remain opportunities for moorage in the transient section of the harbor.
   - Based on current rates (pre-rate study), this additional surcharge would generate $47,367 per year.

Committee Questions
Mr. Etheridge asked Mr. Leither if he calculated in the addition money made when people pull their boats out in the winter and we sell those stalls again as hot berths. He said we are charging for the same stall twice in this scenario.

Mr. Leither said he did not include that and does not see how that would impact patron's ability to hot berth in the winter. He said he would assume we would make more money.

Mr. Ridgway said he appreciates all the work Mr. Leither put into this presentation. He spoke about the comments from Mr. Leither on the law of supply and demand and if that should effect rates. He said he is not sure we have a good case to raise rates just because demand is high. He believes rates should be more geared to our operational cost and future differed maintenance costs.

Mr. Larkin said he supports the idea of increasing rates but what bothers him is the term "surcharge". He said it sounds like a tax for the rich type of thing, maybe it is a wording issue. He was not sure he followed the logic on the electricity part of Mr. Leither's presentation and why those paying for actual use would warrant a higher rate. He does support increasing rates to make them more realistic. Maybe the term "supply and demand" is not the correct wording to use.

Mr. Leither said in his mind the ability to have a permanent stall in a transient harbor is a luxury. He feels treating it as a luxury and charging it as so is reasonable. He also said he completely agrees with Mr. Larkin about the electricity. He is not trying to say to charge people more because they are paying what is proper in electricity. His thought was it is just another luxury they have being a permanent stall holder.

Public Comment
Mr. Craig Dahl – Auke Bay, Alaska
Mr. Dahl is a permanent stall holder in Statter Harbor and has been a patron for many years. He said as a general observation, no matter what you call it, having a 25% increase without a ramp-up period is not good. This is a significant change in philosophy, especially from an economic standpoint. He will not argue with any of the comments about convenience that is why he waited in line for five years to get his stall. He said he pays regularly, every month like clockwork. You are able to rely on your cash flow from your permanent stall holders. The revenue coming in from transient verses permanent stall holders is notable. In the winter months this open transient space is not collecting any money but the permanent stall holders continue to pay. He feels about 40% of the permanent stall holders pull their boats and you are able to hot berth and collect double the money for the same stall. He feels you have a reliable source of income and loyal

group of patrons. He can agree with one comment about charging for the length of the stall instead of the length of boat. He also feels after looking at other harbors up and down the coast a long waiting list for permanent moorage is very common. He does not feel that is a reason to isolate or discriminate a group. He understands the need to look at revenues, but this "surcharge" idea is out of left field and needs a lot more discussion.

Mr. Dennis Watson – Juneau, Alaska

Mr. Watson just heard about this proposal a couple of days ago. He has been reaching out to other harbor patrons with concerns. He feels we can anticipate a much more robust group of people commenting on this. Mr. Watson said this is about the most ludicrous thing he has ever seen. To single out one marina for this kind of stuff on top of the $7.35 price already. We are already paying more than anyone else in Juneau for our moorage. He feels this larger price for Statter Harbor was due to poor judgement from the Harbor Board way back in 2005. We have all lived with it and supported the rate, and the increases every year that come from the CPI. He feels there is no reason for this increase, if you want additional money he suggested increasing the rates at the other Juneau marinas. He feels this is absolutely unsatisfactory. He spoke about how the Docks & Harbor patrons worked very hard to petition the State of Alaska to get funds to put these projects together. He would like the Board to take another look at this, he feels it is abusive and unnecessary.

Committee Discussion

Ms. Derr asked staff about the waiting list and how no one has given up a stall in Statter for so long.

Mr. Uchytil said they are on the waiting list for seven years. There is usually a turnover of three or four stalls each year. The person at the top of the list has been waiting for seven years to get from 45th to the top.

Mr. Creswell said last year we had quite a bit of turnover, especially with the 32' stalls. He said they also had a couple of the 42' stalls turn over.

Mr. Ridgway brought up the Rate Setting Policy in the agenda packet and asked if this "surcharge" would meet criteria two, "Is it Consistent". Criteria number three in the policy state, "is the rate supported by data and justifies the rate". He does not know if a 25% increase meets this criteria set out in the policy. He thinks it would be another income stream, but is it needed to support operations. He said he heard a member of the public tonight mention there is probably a billion other things we should be taking a look at as well.

Mr. Larkin thanked Mr. Watson for speaking tonight and spreading the word to the public about this proposal. We do not always like some of the input from the public, but we absolutely need it for the betterment. The Board represents the public and we cannot work in a vacuum without your input. He asked the Harbormaster about the discounts patrons receive for paying six months or a year at a time. He also wanted to know about space at Statter Harbor for transients during the summer.

Mr. Creswell said the discounts are five percent off if you pay six months in advance, and ten percent off if you pay by the year. He said he did not have exact numbers but the discount is substantially used by our patrons. It is good for patrons and us, limiting administrative time processing payments. Statter Harbor is incredibly busy in the summer and it is common to see boats rafted several deep at side-tie sections.

Mr. Ridgway asked if the rarity of the commodity ever came in to play with rate setting in the past.

Mr. Uchytil spoke about taking over Deharts and the 1984 Thanksgiving storm that did significant damage and the decision to rebuild as a transient harbor.

Mr. Etheridge said we have never used the "commodity rarity" to set a rate. When we set the Statter Harbor rate is was due to being sought after and buying and taking over the private docks. We were taking patrons from a private and secure area and moving them to a public dock. When we found out what kind of rates they were paying at the private dock we decided to increase ours to make it closer to what they were used to paying. Other private dock owners were also on our case for not charging enough for the area.

Mr. Wostmann said he also appreciated the effort by Mr. Leither on his proposal. He has some concerns with the proposal but most were echoed by other members already. One being the criteria we set for coming up with a rate. The 25% increase seems fairly arbitrary. He hopes the rate study will take into consideration the permanent stalls and if there is justification to make them worth more. He said maybe we can pass along the comments and Mr. Leither's proposal to the consultants. He does not feel this proposal is ready to be sent to the Operations/Planning Committee for further action. He would rather suggest this stay with the Finance Committee if we feel further discussion is needed. He asked if any other member had suggestions on how to proceed with the proposal going forward.

Mr. Ridgway said regarding the Statter Harbor waitlist, every harbor in Juneau has a multi-year waitlist for permanent moorage. He was curious about the topic of supply and

demand and asked if it was something we could bring up to the consultants doing the rate study.

Mr. Wostmann asked if any other member felt it was necessary to forward on this proposal to the consultants doing the rate study. He asked Mr. Uchytil if he could see any issues with submitting the proposal.

Mr. Uchytil said there is no problem forwarding it on. He offered his opinion that forwarding this on with no real justification for the 25% increase might be a problem, the number was picked from the air. He is unsure what the consultants would do with that.

Mr. Wostmann said he would like to ask the consultants if there are harbors where open slips and permanent slips have a different rate. If they find this is common he would like to know the standard difference in those rates. He agreed the 25% seemed very arbitrary at this point.

2. Wordsmithing - Justification Criteria for CPI Fee Linkage

Mr. Uchytil asked members to see page thirteen in the agenda packet. He mentioned criteria seven had some negative comments made about it at the last Operations/Planning Committee meeting. He wanted to give the committee an opportunity to review this document and do some wordsmithing before it goes to the next Board meeting.

Mr. Wostmann said the consensus at the last Operations/Planning Committee meeting was criteria number seven was premature. His proposal is to say "to be determined" or possibly to be deleted entirely.

Committee Discussion

Mr. Leither said he likes the way this looks, he is happy to see everything listed out and questions answered.

Mr. Larkin said he likes this document. He feels it is missing a mission statement type paragraph in the beginning. He would like people to understand why we charge fees.

Mr. Ridgway said he would like to see something about the city tasking staff with paying for all operations out of the rates we charge. He spoke about how hard it is to come up with an operations budget when we do not know if we will receive grants or use CIP's.

Public Comment – None

3. QA - Regulation Changes for Consumer Price Index (CPI) Update
   We would like to move this to the Regular Board meeting for tomorrow. Starting on page 15 of the agenda is a draft from the Law Department.

Committee Discussion – None

Public Comment – None

VII. Sub-Committee Action Items

1. Provide Mr. Uchytil with any CPI linkage criteria changes or suggestions.
2. Give more thought on Mr. Leither's proposal.

VIII. Good of the Order

1. Reminder - The Assembly Committee of the Whole meeting is on Monday. The City Manager has brought back the dockage fee increases for the IVF, PFO, ICT and the Statter Harbor Breakwater for non-cruise ships under two hundred feet.

IX. Next Meeting – February 9th, 2022

X. Adjournment – The meeting adjourned at 6:07 p.m.

CBJ Docks & Harbors - Rate Setting Policy

Introduction

The Enterprise Funds are operated and financed in a manner similar to private business. The intent of the governing body is to provide goods and services to the general public on a continuing basis and be financed or recovered primarily through user charges. The acquisition and improvement of the facilities have been financed from existing cash resources, issuance of revenue and general obligation bonds, and state and federal grant funds.

Harbors Enterprise – To account for operations, maintenance and capital improvement to the four City-owned boat harbors and numerous launch ramps.
Dock Enterprise – To account for operations, maintenance and capital improvements of the city-owned facilities, which are heavily used by over 500 cruise ships during the summer months.

Background

Over the last few decades, the D&H board has set and adjusted rates on an individual basis as the need arose for additional revenue or where significant changes in the quality of facilities or services suggested that a rate revision would be justified. As a result, some rates have not changed since 2005 while other have been adjusted multiple times as recently as this year. Starting in 2005, the board added a CPI adjustment to some rates and left some untouched.

While generally these rate adjustments were discussed in multiple public meetings, distributed via various media channels, and often presented at public comment opportunities, the impression remains with too many users of D&H facilities that the rate setting process is opaque and not justified by the underlying cost and services.

It is the intent of the CBJ Docks & Harbors Board to establish a rate setting policy which meets the following criteria:

1. It must be fair and reasonable
2. It must be consistent
3. It must be supported by data and an explanation of how the data justifies the rate
4. It must be sufficient to support the operations of docks and harbors

5. It must replace capital investments
6. It must build reserves for contingencies and future growth
7. Where currently significant disparity exists between the cost allocation to user groups these need to be adjust in a fair and appropriate manner

Approach

Components

In general, there are several components which must be considered when setting a rate:

1. Recovery of operational costs
2. Recovery of capital investment
3. Build a reserve for contingencies and to build new capital for future growth
4. Equity adjustment
5. Sticker shock

Rate Adjustment

After a rate has been set there should be consistency and predictability going forward. The proposed policy would be to apply the CPI adjustment annually on all rates and to set a review schedule for each rate based on issues such as the changes in the underlying cost structure as well as user demand and changes in the use of facilities or services. The underlying rate should be reviewed at least every five years and in order to provide stability for the user community not more often than every three years. The board will always have the discretion to deal with exceptional circumstances such as the 2020 COVID impact on cruise ship revenues.

Discussion

Rates must be fair and reasonable

Fair and reasonable is primarily a subjective issue of perception. However, by implementing a defined and consistent approach and striving to allocate an equitable share of the cost to every user the D&H board strives to be fair to all users.

Rates must be consistent

By establishing this rate setting policy we will have a consistent approach to every rate and rate change. This will give commercial users the ability to plan for future years. Normally CPI changes will be applied starting April 1st and base rate changes either January 1st or July 1st as determined by the Board. Other starting dates may be established by the Board at its discretion.

Rates must be supported by data and an explanation of how the data justifies the rate

Meeting this component of the policy will present a significant challenge to the Board as well as D&H staff. In order to create a starting point and baseline for the underlying components of each rate the Finance Sub-committee is recommending that a professional consultant firm be retained to perform a rate study

Rates must be sufficient to support the operations of docks and harbors

This item will also present a challenge for staff as in most harbors both the facility as well as the staff support multiple user groups each of which can have their own rate structure.

Rates must replace capital investments

This item can normally be clearly defined for each facility. Policies will need to be established in consultation with the CBJ Finance director for facilities where funds from multiple sources were used. The rate study is expected to provide guidelines determining remaining useful life and repayment schedules.

Rates must build reserves for contingencies and future growth

Setting a target for building reserves will be largely a board decision but the basis and need for additional reserves must be clearly defined.

Where currently significant disparity exists between the cost allocation to user groups these need to be adjusted in a fair and appropriate manner

In some cases where rates have not been adjusted in many years a large increase may be indicated. This should be recovered over a reasonable number of years.

Approved: _____signed_____

Don Etheridge
Board Chair

Attest:

Carl J Uchytil

Carl Uchytil
Port Director

DOCKS & HARBORS BOARD

CONSUMER PRICE INDEX (CPI) JUSTIFICATION

The Enterprise Funds are operated and financed in a manner similar to private business. The intent of the governing body is to provide goods and services to the general public on a continuing basis and be financed or recovered primarily through user charges. Unlike other municipal taxes such as sales tax or property tax, the increase in revenue is organically tied to inflationary economics. Service fees which Docks & Harbors reply upon for its operational budget is disadvantaged if these fees are not periodically adjusted.

CBJ Docks & Harbors Board has established a rate setting policy which meets the following criteria:

1. *It must be fair and reasonable*
2. *It must be consistent*
3. *It must be supported by data and an explanation of how the data justifies the rate*
4. *It must be sufficient to support the operations of docks and harbors*
5. *It must replenish capital investments*
6. *It must build reserves for contingencies and future growth*
7. *Where currently significant disparity exists between the cost allocation to user groups these need to be adjust in a fair and appropriate manner*

A discussion of how these criteria's have been applied to the proposed CPI adjustments are provided below.

Criteria 1 – It must be fair and reasonable

Is it reasonable?

Over time the cost of labor and materials changes, usually up, sometimes down. The best measure we have in Juneau of those changes is the Department of Labor Consumer Price Index for Urban Alaska (CPI). Applying the CPI keeps the rate reasonably in sync with the general cost of living. This is reasonable.

Is it fair?

In recent years a CPI adjustment has been applied to some rates and not to others. Applying the CPI to all rates is fair. Applying a "catch up" rate to rates not adjusted in many years is also fair, particularly to those who have had their rate revised and adjusted by the CPI in recent years. It is proposed that the "catch up" period be no more than 10 years and that it not exceed 5% in any one year. This is also fair.

Criteria 2 – Is it consistent

By applying an annual CPI adjustment to all rates which are based on an underlying cost which is subject to the change in the cost of goods and services we are consistent in applying rate changes to all user groups.

Criteria 3 – Is it supported by data and an explanation of how the date justifies the rates?

The CPI is supported by extensive data gathered by the U.S. Bureau of Labor Statistics and is generally recognized as the best available measure of the underlying change in the cost of goods and services.

Criteria 4 - Is it sufficient to support the operations of docks and harbors?

Currently this question does not have a clear answer. For those rates which have not been reassessed for a decade or more just applying the CPI evenly and applying a "catch up" factor as well, a further rate adjustment

may be necessary. Docks & Harbors is in the process of retaining the services of a qualified firm to help in determining whether the base rate to which the CPI is being applied is appropriate or whether additional rate changes should be considered. The application of the CPI where it has not been applied historically is an interim measure until we have better data.

Criteria 5 - Is it sufficient to replace capital investment?

As in the previous question Docks & Harbors will be better able to answer this question once the rate study has been completed.

Criteria 6 – Will it build reserves for contingencies and future growth?

As in question 4, Docks & Harbors will be better able to answer this question once the rate study has been completed.

Criteria 7 – Does it address disparities between user groups in a fair and appropriate manner?

As in question 4, Docks & Harbors will be better able to answer this question and determine the best approach to setting a rate if a large increase is indicated once the rate study has been completed.

Approved by Docks & Harbor Board
January 27th, 2022

Port of Juneau

NOTICE OF PROPOSED CHANGES TO REGULATION
Amendment of Title 05, Chapter 15
Fees and Charges

DOCKS & HARBORS BOARD IS PROPOSING TO ADOPT AN AMENDMENT TO THE FOLLOWING REGULATION.

05 CBJAC 15.030 Dockage Charges.

(a) *Definition.* The charge assessed to vessels for berthing at the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float (IVF), the Port Field Office Float (PFO), and the Inside of the Cruise Ship Terminal (ICT)

(b) *Basis for computing charges.* Dockage charges are assessed upon length-over-all (LOA) of the vessel. Length-over-all is defined as the linear distance, in feet, from the forward most part at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel.

Length-over-all of the vessel, as published in "Lloyd's Register of Shipping" will be used and, when not published, the Port reserves the right to measure the vessel or obtain the length-over-all from the vessel's register.

(c) *Dockage period; how calculated.* The period of time which dockage will be assessed shall commence when the vessel is made fast to an allocated berth or moored, or comes within a slip and shall continue until such vessel casts off and has vacated the position allocated. All time is counted and no deductions shall be allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.

(d) *Charges when a vessel shifts to different berth.* When a vessel is shifted directly from one position to another berth or slip, the total time at such berths or slips will be considered together when computing the dockage or charge.

(e) *From May 1 to September 30, dockage for all vessels, except those vessels paying dockage fees set out in 05 CBJAC 15.030(f) and (h), will be assessed for each 24-hour period or portion thereof as follows:*

(1) $~~$1.50~~ $3.00 per foot for vessels less than 65 feet in length overall;

(2) $~~$2.50~~ $5.00 per foot for vessels with a length overall from 65 feet up to 200 feet; and

(3) $3.00 per foot for vessels greater than or equal to 200 feet in length overall.

(f) From May 1 to September 30, fishing vessels will be assessed dockage at $~~$0.75~~ $1.50 per foot of length overall for each 24-hour period or portion thereof, except there will be no

charge to vessels staging to offload at Taku Dock, provided the duration of staging is less than four hours.

(g) From October 1 to April 30, dockage will be assessed as set out in 05 CBJAC 20.030 and 05 CBJAC 20.040.

(h) From May 1 to September 30, vessels loading passengers as part of a for-hire tour or experience with a duration less than 24 hours shall comply with the requirements set out in 05 CBJAC 20.080(c) and shall pay passenger-for-hire fees as set out in 05 CBJAC 20.080(d).

(i) *Dockage specials*. The Docks and Harbors Board may after public hearing establish special and promotional rates of a temporary nature in order to encourage use of facilities, to respond to unusual economic circumstances, or to promote revenue development.

The above regulation is proposed for adoption pursuant to CBJ's 01.60 and CBJ 85.02.060, and CBJ 85.02.100. Interested persons may obtain a full copy of the proposed regulation at any of the harbor offices, at the CBJ libraries, at the CBJ Clerk's Office, online at www.juneau.org/harbors/proposed_regulations.php or obtain more information by calling the Harbormaster at 907-586-5255.

The Board is holding a public hearing and intends to take final action on the proposed changes at a Special Board meeting on **February 24th, 2022 at 5 pm via zoom meeting.** If this is approved by the Board it will move to the Assembly for their final approval. Written comments may also be submitted to the Port Director's Office by fax at (907) 586-0295, by hard copy at 76 Egan Drive, and online by web form at the above web address until 4:30 p.m. on February 24th, 2022.

REGULATIONS OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Amendment of Title 05, Chapter 15
FEES AND CHARGES

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD PROPOSES TO ADOPT THE FOLLOWING AMENDMENT TO REGULATIONS:

Section 1. Authority. These regulations are adopted pursuant to CBJ Ordinance 01.60, 85.02.060, and 85.02.100.

Section 2. Amendment of Section. 05 CBJAC 15.030 is amended to read:

05 CBJAC 15.030 Dockage Charges.

(a) *Definition.* The charge assessed to vessels for berthing at the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float (IVF), the Port Field Office Float (PFO), and the Inside of the Cruise Ship Terminal (ICT)

(b) *Basis for computing charges.* Dockage charges are assessed upon length-over-all (LOA) of the vessel. Length-over-all is defined as the linear distance, in feet, from the forward most part at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel.

Length-over-all of the vessel, as published in "Lloyd's Register of Shipping" will be used and, when not published, the Port reserves the right to measure the vessel or obtain the length-over-all from the vessel's register.

(c) *Dockage period; how calculated.* The period of time which dockage will be assessed shall commence when the vessel is made fast to an allocated berth or moored, or comes within a slip and shall continue until such vessel casts off and has vacated the position allocated. All time is counted and no deductions shall be allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.

(d) *Charges when a vessel shifts to different berth.* When a vessel is shifted directly from one position to another berth or slip, the total time at such berths or slips will be considered together when computing the dockage or charge.

(e) *From May 1 to September 30, dockage for all vessels, except those vessels paying dockage fees set out in 05 CBJAC 15.030(f) and (h), will be assessed for each 24-hour period or portion thereof as follows:*

(1) $~~1.50~~ $3.00 per foot for vessels less than 65 feet in length overall;

(2) $~~2.50~~ $5.00 per foot for vessels with a length overall from 65 feet up to 200 feet; and

(3) $3.00 per foot for vessels greater than or equal to 200 feet in length overall.

(f) From May 1 to September 30, fishing vessels will be assessed dockage at $~~0.75~~ $1.50 per foot of length overall for each 24-hour period or portion thereof, except there will be no charge to vessels staging to offload at Taku Dock, provided the duration of staging is less than four hours.

(g) From October 1 to April 30, dockage will be assessed as set out in 05 CBJAC 20.030 and 05 CBJAC 20.040.

(h) From May 1 to September 30, vessels loading passengers as part of a for-hire tour or experience with a duration less than 24 hours shall comply with the requirements set out in 05 CBJAC 20.080(c) and shall pay passenger-for-hire fees as set out in 05 CBJAC 20.080(d).

(i) *Dockage specials.* The Docks and Harbors Board may after public hearing establish special and promotional rates of a temporary nature in order to encourage use of facilities, to respond to unusual economic circumstances, or to promote revenue development.

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on January 31, 2022, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

_____
Carl Uchytil
Port Director

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

(1) Its consistency with federal and state law and with the charter, code, and other municipal regulations;
(2) The existence of code authority and the correctness of the required citation of code authority following each section; and
(3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

_____
Robert H Palmer III
Municipal Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____ _____

Elizabeth J. McEwen, Clerk

Filing with Clerk

I certify, as the Clerk of the City and Borough of Juneau, that the following statements are true:

(1) These regulations were accepted for filing by the office of the clerk at ___:___ a.m./p.m. on the _____day of _____, _____.

(2) After signing, I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.

(3) A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.

(4) Effective date: _____.

Date: _____ _____

Elizabeth J. McEwen, Clerk

Port of Juneau

NOTICE OF PROPOSED CHANGES TO REGULATION
Amendment of Title 05, Chapters 15, 20, 30 & 40
Fees and Charges – Application of Consumer Price Index

DOCKS & HARBORS BOARD IS PROPOSING TO ADD A CONSUMER PRICE INDEX TO THE FOLLOWING REGULATIONS. BELOW IS A FISCAL NOTE CHART WITH THE PROPOSED CHANGES FOR FY23 AND ESTIMATED CPI INCREASE FOR FY24.

Fee	Regulation	Current Fee FY22	FY23 (4.9% CPI)	FY24 (est 5% CPI)	Notes	Total Revenue FY21
Dockage Charge	05 CBJAC 15.030	$.75/Fishing Vessel,$1.50/<65', $2.50/65-200' and $3.00 over 200'	$.79/Fishing vessel$1.57/<65', $2.62/65-200, and $3.15 over 200'	$.83 FishingVessel, $1.65/<65',$2.75 65'-200', and $3.31 over 200'	Undergoing regulation change currently - CPI calculations on current rate	$203,970.72
Port maintenance fee	05 CBJAC 15.040	$.55 100 NRT	0.57 100 NRT	.60 100 NRT	No revenue due to COVID	$0.00
Vessel Lightering fees	05 CBJAC 15.060	$1,700	Just increased $1,100	$1,785	No revenue due to COVID	$0.00
Loading permit fees	05 CBJAC 15.080	$400 company/$9 seat fee	$419.60 Co/ $9.44 seat fee	440.58 Co/$9.91seat fee		$3,400.00
Boom truck services	05 CBJAC 15.110	$120 per hr & $60 per 30 min	$125.88 per hr/$62.94 per 30 min	$132.17 per hr/$66.09 per 30 min		$0.00
Special annual moorage for skiffs	05 CBJAC 20.020	$300/ann	$314.70	$330.44		$11,400.00
Daily moorage fees	05 CBJAC 20.030	$.58/ft	$.61/ft	$.64/ft	Currently in regulation adjusted by CPI	$308,293.17
Monthly moorage fee	05 CBJAC 20.035	Downtown $4.40, Statter $7.30	Downtown $4.60, Statter $7.50	Downtown $4.83, Statter $7.88	monthly & annual -Currently in regulation adjusted by CPI	$1,726,806.92
Fee for tenders	05 CBJAC 20.045	$1.50/<65'	$1.57/<65'	$1.65/<65'		$0.00
Residence surcharge	05 CBJAC 20.050	$69/4 $23/0ver 4	$72.38/4 $24.12/over 4	$76.00/4, $25.33/over 4		$104,178.00
Recreational boat launch fees	05 CBJAC 20.060	$15/day, $90/ann, $250 Comm, $30 Comm day	$15.73 day, $94.41 ann, $262.25 Comm, $31.47 Comm day	$16.52 day, $99.13 ann, $275.36 Comm, $33.04 Comm day		$158,614.76
Fees for commercial use of boat launches	05 CBJAC 20.070	$100/per application+ $1.65 per pass	$104.90 +$1.65 per pass	$110.15 +$1.73 per pass		$544.00
Passenger-for-hire fee	05 CBJAC 20.080	Inspected $569.80 $1.65 per pass Uninspected $171.60	Inspected $569.80 $1.65 per pass Uninspected $171.61	Inspected $598.29 $1.73 per pass, Uninspected $180.19	FY23 fee increased by 10%.	$3,076.50
Statter lower parking lot permit fee(busses)	05 CBJAC 20.090	$300 Co $15 per seat	$314.70 Co, $15.73 per seat	$330.44 Co, $16.52 per seat		$404.76
Grid usage fees	05 CBJAC 20.100	$1/ft per day	1.05/ft per day	$1.10/ft per day		$1,756.00
Crane use fees	05 CBJAC 20.110	$5/15min	$5.24/15min	$5.50/15 min		$14,535.00
Storage fees	05 CBJAC 20.130	0.50 per sq/ft per month	.52 per sq/ft per month	.55 per sq/ft per month		$29,415.88
Staff labor fees	05 CBJAC 20.140	75.00/hr	$78.67/hr	82.60/hr		$4,350.00
Reserved moorage waitlist fee	05 CBJAC 20.150	$50/int. $10/ann.	$52.45/int. $10.49/ann	$55.07/int $11.01/ann		$1,930.00
Auke Bay Loading Facility—Float Moorage	05 CBJAC 20.210	1-3day $.75 per ft, 4-6 days $1.50 per ft, after 7 days $3 per foot per day	1-3 day $.79 per ft, 4-6 days $1.57 per ft, after 7 days $3.14 per foot per day.	1-3 day $.83 per ft, 4-6 days $1.65 per ft, after 7 days $3.30 per ft per day		$4,559.06
Auke Bay Loading Facility Float—Mechanical Work Zone	05 CBJAC 20.220	$25 per 3 hr max	$26.22 per 3 hr max	$27.53 per 3 hr max		$6,343.75
Shorepower access fees	05 CBJAC 30.010	Varies on pwr category	Varies on pwr category	Varies on pwr category	Will provide separate chart if requested	$97,409.27
General moorage management policy	05 CBJAC 40.010	.25 per ft	.26 per ft	.27 per ft	Vessel Disposal Surcharge	$16,196.00
Vessel anchoring requirements	05 CBJAC 40.065	$100 app/.25 per ft	$104.90app/ .26 per ft.	$110.15 app/.27 per ft		$0.00

The above regulation is proposed for adoption pursuant to CBJ's 01.60 and CBJ 85.02.060, and CBJ 85.02.100. Interested persons may obtain a full copy of the proposed regulation at any of the harbor offices, at the CBJ libraries, at the CBJ Clerk's Office, online at www.juneau.org/harbors/proposed_regulations.php or obtain more information by calling the Harbormaster at 907-586-5255.

The Board is holding a public hearing and intends to take final action on the proposed changes at a Special Board meeting on **February 24th, 2022 at 5 pm via zoom meeting.** If this is approved by the Board it will move to the Assembly for their final approval. Written comments may also be submitted to the Port Director's Office by fax at (907) 586-0295, by hard copy at 76 Egan Drive, and online by web form at the above web address until 4:30 p.m. on February 24th, 2022.

REGULATIONS OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Amendment of Title 05, Chapters 15, 20, 30 & 40

FEES AND CHARGES – APPLICATION OF CONSUMER PRICE INDEX

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE DOCKS AND HARBORS BOARD PROPOSES TO ADOPT THE FOLLOWING AMENDMENT TO REGULATIONS:

Section 1. Authority. These regulations are adopted pursuant to CBJ Ordinance 01.60, 85.02.060, and 85.02.100.

Section 2. Amendment of Section. 05 CBJAC 15.030 is amended to read:

05 CBJAC 15.030 Dockage charges.

…

(j) *CPI Adjustment.* For each calendar year after 2022, the fee assessed in this section will be equal to the previous fiscal year's fee, adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 3. Amendment of Section. 05 CBJAC 15.040 is amended to read:

05 CBJAC 15.040 Port maintenance fee.

…

(f) *CPI Adjustment.* For each calendar year after 2022, the fee assessed in this section will be equal to the previous fiscal year's fee, adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 4. Amendment of Section. 05 CBJAC 15.060 is amended to read:

05 CBJAC 15.060 Vessel lightering fee.

…

(f) *CPI Adjustment.* For each calendar year after 2022, the fee assessed in this section will be equal to the previous fiscal year's fee, adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 5. Amendment of Section. 05 CBJAC 15.080 is amended to read:

05 CBJAC 15.080 Loading permit fee.

…

(d) *CPI Adjustment.* For each calendar year after 2022, the fee assessed in this section will be equal to the previous fiscal year's fee, adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 6. Amendment of Section. 05 CBJAC 15.110 is amended to read:

05 CBJAC 15.110 Boom truck usage fee.

…

(c) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 7. Amendment of Section. 05 CBJAC 20.020 is amended to read:

05 CBJAC 20.020 Special annual moorage fee for skiffs.

(a) An owner with an open-hulled vessel 21 feet or less in length, excluding engines, may apply to the Harbormaster for moorage in the limited access areas of Aurora Harbor, Don D. Statter Harbor Facility, and Mike Pusich Douglas Harbor. The Harbormaster will assign moorage in these areas on a first-come, first-serve basis. If assigned moorage by the Harbormaster, all requirements pertaining to annual moorage apply, except the annual moorage fee that the owner shall pay.

(b) The annual moorage fee shall be $300.00 per calendar year (January 1 through December 31).

(c) *CPI Adjustment.* The fees assessed in this section will be equal to the previous year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the calendar year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 8. Amendment of Section. 05 CBJAC 20.030 is amended to read:

05 CBJAC 20.030 Daily moorage fees.

…

(d) *Daily moorage fees.* Except as provided for reserved daily moorage, daily moorage fees will be assessed for each 24-hour period or portion thereof as follows:

(1) From July 1, 2021 ~~2013~~ through June 30, 2022 ~~2014~~, $0.58 ~~$0.53~~ per foot; and

(2) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

~~(2) Each moorage year after June 30, 2013, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest cent, unless the docks and harbors board takes action to keep the fee the same as the previous year.~~

Section 9. Amendment of Section. 05 CBJAC 20.035 is amended to read:

05 CBJAC 20.035 Monthly moorage fees.

…

(d) *Monthly moorage fee.* Monthly moorage fees will be assessed for each calendar month or portion thereof as follows:

(1) *Downtown harbors.* From July 1, 2021 ~~2016~~ to June 30, 2022 ~~2017~~: $4.40 ~~$4.25~~ per foot.

(2) *Statter Harbor.* From July 1, 2021 ~~2016~~ to June 30, 2022 ~~2017~~: $7.30 ~~$7.15~~ per foot.

(e) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

~~(e) *Moorage fee adjustment.* Each moorage year, beginning July 1, 2017, the moorage rates at the Statter and Downtown Harbors will be adjusted by an amount equal to the change in the Downtown harbors moorage rate when adjusted by the Anchorage Consumer Price Index as reported by the Alaska Department of Labor for the calendar year preceding the moorage year, rounded to the nearest five cents, unless the Docks and Harbors Board takes action to keep the fee the same as the previous year.~~

Section 10. Amendment of Section. 05 CBJAC 20.045 is amended to read:

05 CBJAC 20.045 Fee for tenders.

…

(d) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 11. Amendment of Section. 05 CBJAC 20.050 is amended to read:

05 CBJAC 20.050 Residence surcharge.

…

(e) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 12. Amendment of Section. 05 CBJAC 20.060 is amended to read:

05 CBJAC 20.060 Recreational boat launch fees.

…

(i) *CPI Adjustment.* The fees assessed in this section will be equal to the previous year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the calendar year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 13. Amendment of Section. 05 CBJAC 20.070 is amended to read:

05 CBJAC 20.070 Fees for commercial use of boat launches.

…

(f) *CPI Adjustment.* The fees assessed in this section will be equal to the previous year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the calendar year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 14. Amendment of Section. 05 CBJAC 20.080 is amended to read:

05 CBJAC 20.080 Passenger-for-hire fee.

…

(d) *Inspected vessel fees.* The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is regulated under Subchapter T and S of 40 CFR 33 as follows:

(1) Calendar year 2022 permit: $569.80 per vessel plus $1.65 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2022, a fee equal to the previous year's fee adjusted by the Consumer Price Index - Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the ~~moorage year~~ seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

(3) No charge for non-profit use when approved by the Harbormaster on a case-by-case basis.

(e) *Uninspected vessel fees.* The Harbormaster shall assess permit fees to the owner of a vessel engaged in passenger-for-hire activities that is not regulated under Subchapter T and S of 40 CFR 33 (OUPV - operator of uninspected passenger vessels) as follows:

(1) Calendar year 2022 permit: $171.60 per vessel plus $1.65 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2022, a fee equal to the previous year's fee adjusted by the Consumer Price Index - Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the ~~moorage year~~ seasonal cruise vessel year (April 1 – November 1). The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

(3) No charge for non-profit use when approved by the Harbormaster on a case-by case basis.

Section 15. Amendment of Section. 05 CBJAC 20.090 is amended to read:

05 CBJAC 20.090 Statter Boat Harbor Lower Parking Lot permit fee.

…

(d) *CPI Adjustment.* The fees assessed in this section will be equal to the previous year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the calendar year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 16. Amendment of Section. 05 CBJAC 20.100 is amended to read:

05 CBJAC 20.100 Grid usage fees.

…

(e) *CPI Adjustment.* The fees assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 17. Amendment of Section. 05 CBJAC 20.110 is amended to read:

05 CBJAC 20.110 Crane use fees.

…

(d) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 18. Amendment of Section. 05 CBJAC 20.130 is amended to read:

05 CBJAC 20.130 Storage fees.

…

(d) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 19. Amendment of Section. 05 CBJAC 20.140 is amended to read:

05 CBJAC 20.140 Staff labor fees

…

(4) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 20. Amendment of Section. 05 CBJAC 20.150 is amended to read:

05 CBJAC 20.150 Reserved moorage waitlist fee.

(a) A person applying for placement on the reserved moorage waitlist shall pay an initial sign-up fee of $50.00 and an annual fee of $10.00 payable by March 1 of each year that the person wishes to remain on the waitlist.

(b) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the calendar year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 21. Amendment of Section. 05 CBJAC 20.210 is amended to read:

05 CBJAC 20.210 Auke Bay Loading Facility—Float Moorage.

(a) The fee to use the Auke Bay Loading Facility Float shall be as follows:

(1) No cost for the first two hours using the float.

(2) $0.75 per linear foot per calendar day for using the float for more than two hours and up to three calendar days.

(3) $1.50 per linear foot per calendar day for using the float for more than three calendar days and up to seven calendar days.

(4) $3.00 per linear foot per calendar day for using the float for seven calendar days or more.

(b) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 22. Amendment of Section. 05 CBJAC 20.220 is amended to read:

05 CBJAC 20.220 Auke Bay Loading Facility Float—Mechanical Work Zone.

(a) The rate for the Docks and Harbors Auke Bay Loading Facility Float Mechanical Work Zone shall be as follows:

(1) $0.75 per linear foot per calendar day for the first three days.

(2) $1.50 per linear foot per calendar day for days four through seven.

(3) $3.00 per linear foot per calendar day in excess of seven days.

(b) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor & Workforce Development for the calendar year preceding the start of the fiscal year The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 23. Amendment of Section. 05 CBJAC 30.010 is amended to read:

05 CBJAC 30.010 Shorepower access fees.

…

(i) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

~~*Shorepower cost adjustment.* The shorepower access fees should be reviewed and adjusted annually.~~

Section 24. Amendment of Section. 05 CBJAC 40.010 is amended to read:

05 CBJAC 40.010 General moorage management policy

…

(i) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 25. Amendment of Section. 05 CBJAC 40.065 is amended to read:

05 CBJAC 40.065 Vessel anchoring requirements.

…

(e) *CPI Adjustment.* The fee(s) assessed in this section will be equal to the previous fiscal year's fee and adjusted by the Consumer Price Index – Urban Alaska (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the fiscal year. The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment.

Section 26. Notice of Proposed Adoption of a Regulation.
The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on February 3, 2022, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

_____
Carl Uchytil
Port Director

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

(1) Its consistency with federal and state law and with the charter, code, and other municipal regulations;
(2) The existence of code authority and the correctness of the required citation of code authority following each section; and
(3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

_____
Benjamin Brown
Assistant Municipal Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

Date: _____ _____

Elizabeth J. McEwen, Clerk

Filing with Clerk

I certify, as the Clerk of the City and Borough of Juneau, that the following statements are true:

(1) These regulations were accepted for filing by the office of the clerk at ___:___ a.m./p.m. on the _____day of _____, _____.

(2) After signing, I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.

(3) A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.

(4) Effective date: _____.

Date: _____ _____

Elizabeth J. McEwen, Clerk

At the last Finance Sub-Committee meeting (12/22/2021), board members were asked to brainstorm ideas to generate additional revenue in light of anticipated short falls in harbor enterprise funding. Although any rate increase can be painful to our users, and we should be sensitive to this, I would like to present an argument for instituting a permanent moorage surcharge for Statter Harbor**. Specifically, I would like to propose that we add a 25% surcharge for permanent moorage at Statter Harbor in addition to regular moorage rates.** Below is some information and reasoning to support this proposal.

1.) **Possession of a permanent slip offers multiple benefits over transient moorage, and costs should reflect this.**
    a. Users of permanent slips have guaranteed moorage even on the most congested harbor days. This is an especially valuable benefit considering that on many weekends in the summer, transient users are forced to tie to the outside of the breakwater or even anchor in the bay due to lack of available of moorage. This has led some users to forgo taking trips on weekends due to the fear that they will not have a spot to tie to when they return.
    b. Slips are easier for boat operators to enter than parallel parking on the main fingers.
    c. Users of permanent slips are not subject to rule that they must move their boats every 10 days.
    d. Permanent slips have year-round water.
    e. Permanent slips are closer to the harbor office and more visible, which may offer a security benefit.
    f. Permanent slips are closer to the gangways. This makes for easier access and easier gear transportation.
    g. Permanent slips likely have less wind and wave/swell action due to closer proximity to shore and greater distance from the breakwater.
2.) **Demand greatly outstrips supply for permanent slips in Statter Harbor.** There are currently 63 patrons on the 32-foot waitlist for stalls, while the next-in-line patron has been on the waitlist for almost 7 years (since 3/2/15). There are 48 patrons on the 42-foot waitlist for stalls, while the next-in-line patron has been on the list for approximately 7.5 years (since 8/6/14). It seems likely that these figures actually understate demand for permanent slips. Many users who would otherwise be interested in a permanent slip may not sign-up on the waitlist due to the apparent difficulty in ever attaining a permanent slip. Laws of supply and demand suggest that our demand can support this relatively modest surcharge. In personal conversations with patrons in the harbor, I have spoken people who say they would be willing to pay double the current rate for the privilege of permanent moorage.
3.) **In the current system, patrons with permanent slips have the opportunity to pay less in total harbor fees than those in transient moorage.** This is because electricity is metered in the permanent slips, while it is paid on a flat rate in transient. As an example, a non-liveaboard in transient who is hooked up to electricity will pay $54 as a flat rate in the summer, regardless of how much electricity is being used. Many of those in transient are primarily using their power hook-ups to run trickle chargers to top off their batteries. The user in this example is likely using significantly less electricity than they are paying for. Conversely, a similar user in a permanent slip running a trickle charger to keep batteries charged will be charged only for the power they use, resulting in a total cost savings. The opportunity for users of permanent slips to pay less in total costs does not seem fair when

the same opportunity is not afforded to our transient users. The opportunity for patrons using permanent moorage to pay less in overall fees is especially troubling when the benefits of permanent moorage (listed above) are considered.

4.) **If patrons with permanent slips are unwilling or unable to pay the proposed surcharge, there remain opportunities for moorage in the transient section of the harbor.** Although it is important to be sensitive to any additional demands on our patrons' finances, this proposal should not be thought of as "forcing out" current permanent slip holders. There is still moorage in Statter Harbor that is available for all users, and no one will be losing access to the waters north of Juneau if they do not wish to pay the proposed surcharge. Statter Harbor has historically been managed as a transient harbor. Considering the benefits listed above, permanent moorage should be considered a luxury in our current system, and as such should be billed as a luxury.

5.) **Based on current rates (pre-rate study), this additional surcharge would generate $47,367 per year.** It seems likely that the actual additional revenue would be greater than this for two reasons. First, the general moorage rate may increase after our rate study, which would in turn lead to more revenue from the proposed surcharge because it is linked to the general moorage rate. Secondly, these calculations assume that all users pay by the slip size (for instance, a user of a 32' slip would pay for 32 feet). However, this is not the case. Permanent users actually pay for the length of their vessel *or* the length of the slip, whichever is greater. So in fact, the total feet of permanent moorage paid is likely greater than the figures shown below. It may be valuable to move forward with this proposal sooner rather than later so that any additional revenue it provides can be factored into the calculations which our consultants will be making in the rate study.

Slip Size	Total # of slips	Cost per slip per boat per year	Total Revenue from slips per year	Additional Revenue from proposal
Up to 32'	53	32' x $7.30 per foot x 12 months x 90% (for yearly payment discount) = **$2523 per boat per year**	53 x $2523= **$133,719**	$133,719 x 25%= **$33,294**
32-42'	17	42' x 7.30 per foot x 12 months x 90% (for yearly payment discount) = **$3311 per boat per year**	17 x $3311= **$56,292**	$56,292 x 25%= **$14,073**
	70		$133,719 + $56,292= **$190,011**	$33,294+$14,073 **$47,367**

Bruce Weyhrauch
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February 11, 2022

Mr. Don Etheridge, Chair
Juneau Docks and Harbors Board
155 South Seward Street
Juneau, Alaska 99801
(harborboard@juneau.org)

Dear Don:

I write to propose that Juneau amend or adopt regulations or ordinances that provide for, or modify the basis for, assessing docking, anchoring, and lightering fees in order to offer incentives for vessels using Juneau's dock and harbor facilities, which vessels employ the use of green technologies.

I am unsure the present method for assessing fees on cruise ships, yachts, cargo ships, and other types of vessels that visit Juneau seasonally, or on an occasional basis, or that use Juneau as a home port. But based upon information on your website and in various CBJ ordinances and regulations, if seems that most of the fees assessed on vessels are based on length overall and are found in CBJ Ordinances 85.20, and 05 CBJ AC 15. I could not find anything in those laws that provide green technology incentives, but if they are there, I apologize for not spotting them.

By providing these incentives, Juneau would join the vanguard of other entities, countries, and the maritime world trying to encourage shipping companies to accelerate green technology use. For example, the Isle of Man Ship Registry (IOMSR) will become the first flag in the world to provide incentives for vessels using green technology. Its goal is to accelerate development of new technologies. It is leading other regulators, ports, and shipping routes (such as the Suez and Panama Canals), which are all discussing green shipping technology incentives.[1]

Juneau too could be a leader in this area in Alaska and the US.

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[1] https://www.maritime-executive.com/article/isle-of-man-ship-registry-first-to-lower-fees-to-encourage-green-ships. (The Isle of Man is a self-governing British Crown dependency in the Irish Sea between England and Ireland. Like the CBJ, one of its primary ports is Douglas.)

IOMSR is trying to provide incentives for vessels to take steps to achieve the IMO's Greenhouse Gas emissions targets[2]. The Isle of Man proposes giving vessel owners a 15% reduction of an annual registration fee if they invest in biofuels, alternative fuels, wind, or shore-side energy technology. Owners who want that cost reduction must prove their vessel uses alternative fuels or green power sources.[3]

Like many other proposals you must get, there will probably be a lengthy and complex process related to considering this proposal let alone adopting anything. And, it may be that the type and amount of incentives that Juneau would be willing to offer vessels, even if it does, may have to be phased-in to see how they work.

Juneau made the policy decisions to promote appropriate green technologies for those who live in or visit our community. Adopt fee regulations that offer incentives for all vessels using Juneau's dock and harbor facilities when they employ green technologies would seem to be a good step to aligning one small part of what your board does with that policy.

I am copying the Juneau Commission on Sustainability based on Resolution 2755 because green technology incentives align with its mission to minimize energy use and the release of greenhouse gases, reduce fossil fuel dependence, and promote fuel-efficient technologies.

Sincerely,

/s/ *Bruce B. Weyhrauch*

Bruce B. Weyhrauch

C: Juneau Commission on Sustainability c/o Beth.McKibben@juneau.org. Carole.Triem@juneau.org, Christine.Woll@juneau.org, Wade.Bryson@juneau.org, (assembly liaisons) Andy Romanoff (andy@akheatsmart.org)

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[2] https://www.imo.org/en/MediaCentre/HotTopics/Pages/Reducing-greenhouse-gas-emissions-from-ships.aspx.

[3] It also allows fee reductions if vessels use biofuels or biofuel blends as the primary source of fuel for at least 120 days during a year, or that can use shore power and turn off main and auxiliary engines at berth.