

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, February 27, 2020

I. Call to Order

Mr. Etheridge called the Regular Board Meeting to order at 5:01pm in the Assembly Chambers.

II. Roll Call

The following members were present: Chris Dimond, Steven Guignon, Mark Ridgway, Annette Smith, Bob Wostmann, Budd Simpson and Don Etheridge.

Absent: Jim Becker and James Houck both due to medical reasons.

Also present were the following: Carl Uchytel-Port Director, Erich Schaal- Port Engineer, Matt Creswell - Deputy Harbormaster, Alicia Hughes Skandijs, Assembly Liaison and Mary Wolf – Administrative Assistant 1.

III. Approval of Agenda –

Mr. Uchytel asked to move number two on the Consent Agenda to the first item as Sgt. Welch with the Alaska State Troopers is here to speak to the Board and that would free him up to return to work.

MOTION BY MR. SIMPSON: TO APPROVE THE AGENDA AS AMENDED AND ASK FOR UNANIMOUS CONSENT.

Motion passed with amendments and no objection.

IV. Approval of January 30, 2020 Board Minutes.

Mr. Wostmann asked for a correction of his comments on the vessel that was sunk in Auke Bay several years ago, to specifically reflect that it was a Ferro cement hull vessel.

MOTION BY MR. WOSTMANN: TO APPROVE THE MINUTES AS AMENDED AND ASK FOR UNANIMOUS CONSENT.

V. Public Participation on Non-Agenda Items –

Mr. Mark Halsted, Douglas, AK said he has spoken to the Board before regarding the lighting at Douglas and North Douglas launch ramps. He appreciates the fact that the Board and Mr. Schaal have followed up with his concerns. Mr. Halsted said he felt he was given some outrageous numbers by the Harbormaster regarding lights. He is looking for a practical solution and something that is ideal. The numbers he has been given do not seem realistic. Right now, there are no lights, so any light would be an improvement. Mr. Halsted said he is just asking for a very simple and inexpensive solution for both

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launch ramps. The numbers and drawings that Mr. Schaal gave him just do not seem to be beneficial for plans. Mr. Halsted is asking the Board and Staff to install something that would be an improvement and beneficial to everyone concerned.

Mr. Etheridge said he will follow up with Mr. Schaal on the plan and will address his concerns with him.

Patricia Collins, Douglas, AK said a little over a month ago, she had to travel out of state for a medical emergency and left her car in long-term parking at Harris Harbor where her boat is moored. Ms. Collins has lived in the harbors for the better part of thirty years. When she returned, she found that someone had taken a drill to each of the three locks on her Lexus SUV. They destroyed all of the locks and used a shim to try to gain access to her fuel tank. Ms. Collins said the damages came to over two thousand dollars. As a boat owner, she has taken steps to protect her boat with security cameras. She cannot install her own security system in the parking lots, she is now afraid for her personal safety, and the safety of her belongs. Ms. Collins is asking the Board to strongly consider installing cameras in the parking lot. She has relayed to the Harbormaster that she and several others would financially contribute to the cost of the cameras. She understand Docks & Harbors has a limited budget. She is also considering moving out of the harbor.

Mary Larsen, Juneau, AK said she is also lives in Harris Harbor on a live aboard boat. She said she spoke to the Board last fall regarding security cameras. She said that she and Ms. Collins spoke to someone at the Marine Exchange about increasing the security at Harris harbor parking lot. At that time, the Marine Exchange thought that maybe the harbor department was doing something so they held off installing cameras at the Marine Exchange. After Ms. Collins' ordeal, she revisited the issue with Marine Exchange about the possibility of moving ahead and installing cameras with them. She does not want to duplicate any plans that Docks & Harbors has. She asked if Docks & Harbors has any plans and any timeline for installing cameras or taking some other security measures. It seemed like whomever broke into Ms. Collins car took a long time to do that, so there is a lot of activity in the parking lots. You have heard it many times before; I have read it in your minutes and talked with other people. She would like to know if she should go ahead and talk with Marine Exchange to get something in place. She emphasized that she does not want to duplicate efforts; she is willing to contribute to Docks & Harbors to get something done. She does not want to put this off any longer.

Mr. Ridgway asked whom they were coordinating with at the Marine Exchange. Were they installing cameras on their building and using their Wi-Fi?

Ms. Larsen said yes they hope to use the Marine Exchange building and their Wi-Fi. By installing cameras on the Marine Exchange building, they can cover a lot of the Harris Harbor parking lot. They are working on details.

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VI. Consent Agenda

- A. Public Requests for Consent Agenda Changes – none.
- B. Board Members Requests for Consent Agenda Changes – none.
- C. Items for Action

MOTION BY MR. SIMPSON TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Consent accepted.

1. Leasing Auke Bay Marine Station Fish House to Alaska State Troopers
Presentation by the Port Director

Mr. Uchtyl introduced Sgt. Robert Welch with the Alaska State Troopers Wildlife division. We met with Sgt. Welch a month ago regarding the Troopers utilizing the Fish House for their staff. Last week at the Ops committee meeting Mr. Uchtyl discussed the way forward in code we do not really have specific directions on how to facilitate a government to government type of lease. Mr. Uchtyl has asked CBJ Law to look into it. Mr. Uchtyl said no promises have been made to the Troopers they have only talked about the possibility. CBJ Law is working on the details of a lease arrangement but ultimately the lease will need to be approved by the State.

Sgt. Robert Welch with Alaska Wildlife Troopers said they currently have some changes to the building they lease. The lease is through the Department of Administration, which they sublease. Their warehouse shop is being torn down to build boat condominiums. They have been offered a boat condominium as a replacement; however, they do not feel the space would meet their needs. Sgt. Welch looked at the Fish House building with Mr. Creswell and only the Wildlife Division would be making the move. We are thinking the Fish House best suits our needs. We have some concerns and there are some state standards in where we lease, but we believe we can work with the city on those issues. Sgt. Welch said there are five officers-himself, three patrol officers, Matt Dobson, Region Commander, an administrative assistant, a full time safety tech and a seasonal public safety tech that would utilize the space. It would work very well for them other than the lack of garage shop space. The larger steel building on the premises does have a garage and that space would be of interest to them. Sgt. Welch feels that the space would meet their needs, we showed the space to the Colonel and he was favorable to pursuing the space. It is exploratory at this time and we are trying to formulate what the expenses would be per month. There is a process to follow and he is not sure about his current space in leaving that space. He feels he can work with the city in this favorable space.

Mr. Wostmann asked if the commercial whale watching boats would still have access to their designated float.

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Sgt. Welch does not feel that would be issue for them. He has not put that much thought into it. They would have to consider someone walking around the building. However, they are familiar with Gastineau Guiding and their personnel. The Troopers vessel is parked on the float extension, and they would be interested in moving their regular patrol vessel to that location as well. This would free up space near the Coast Guard Cutter. The State Troopers would work with the City to make sure other leasees have access to their space. They are aware that there is a larger plan the City has been working on in extending the float so those changes will happen anyways. Currently, the facility meets their needs and he thinks he can make it work with other leasees. The building is what they need exclusive access. When people are walking around it causes them pause.

Public Comment – none.

Board Discussion

MOTION BY MR. WOSTMANN: MOVE TO DIRECT STAFF TO PROCEED WITH A LEASE OPTION AT THE AUKE BAY MARINE STATION FOR USE BY THE ALASKA STATE TROOPERS WILDLIFE DIVISON AND ASK UNANIMOUS CONSENT.

2. North End of Aurora Harbor Coordination with Dredging Project Presentation by the Port Director

No discussion on this topic.

VII. Unfinished Business –

1. Resolution in Support of Reservation Management of Goldbelt Downtown Docks Presentation by the Port Director

Mr. Uchtyl said on page 23 of the agenda packet. This had to do with the meeting that he and staff had with Mr. McHugh Pierre, CEO of Goldbelt. Mr. Uchtyl pitched the idea that Docks & Harbors would like to have the opportunity to make reservations for the vessels that Goldbelt now manages at the Seadrome Dock and along the float at Merchants Wharf. Last week the Board gave Mr. Uchtyl the nod to move forward. Mr. Uchtyl reached out to CBJ Law and the best way forward is to have a non-code ordinance by the Assembly that allows us to do so. The Law Department asked me to put a resolution together. On page 23 is the resolution that eventually will get to the Assembly and they would draft a non-code ordinance. The hang up is how Law interprets our code in the first paragraph. “Whereas, under Title 85 of the City and Borough code, Docks & Harbors is responsible for the operation, development and marketing of municipally owned and operated ports and harbors, including such facilities as boat harbors, docks, ferry terminals, boat launching ramps, and related facilities except as designated by the Assembly by resolution.” CBJ Law

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interpretation is that we do not have the authority to develop anything other than municipally owned ports and harbors. That is the hang up to get the authority. Everything else from there is what Mr. Uchtyl is on working with Goldbelt. We do it very well, it would not be difficult for us to take this over. We will come out ahead by doing so. We have not worked out what the cost share will be. We believe it can be beneficial for us and reduce the overhead for Goldbelt and we believe we can provide better customer service for mariners coming in to the Port of Juneau.

Mr. Ridgway asked Mr. Uchtyl if our customer service is better than what Goldbelt provides.

Mr. Uchtyl said yes, we do provide better customer service than Goldbelt.

Mr. Ridgway said is it only for the Seadrome Dock.

Mr. Uchtyl said we observe from our facility above the Seadrome Dock that it is under-utilized. When our facilities are full, we refer guests to Goldbelt for reservations. We believe many of those calls go unanswered because we are not seeing those vessels docked at the Seadrome. It continues to remain empty except for the contract vessels like UnCruise and Allen Marine.

Mr. Ridgway is concerned in getting involved in the private sector.

Mr. Uchtyl said they only pay us now through their tideland lease. We have never dipped our toe in moorage reservations. Mr. Uchtyl and Mr. Pierre would like to do a trial basis this year to see if it is a win win for both parties. We are only talking about reservations, nothing else. The IVF and the Seadrome Dock serve the same high-end clientele. Docks & Harbors would manage Goldbelt's reservations the same way we manage our reservations. If we move forward, we would discuss Goldbelts contractual obligations to UnCruise and Allen Marine and work around those schedules.

Mr. Borg said we have a very good rapport with our high-end yacht clientele. Rarely do they end up staying late. If they do, it is very carefully coordinated and having reservation options at the Seadrome would add flexibility to our entire downtown and Statter Harbor operations.

Mr. Uchtyl said Docks & Harbors is uniquely poised because we have other relief valves like the inside of the Cruise Ship Terminal and the PFO lightering float. We have more flexibility than Goldbelt for these what if types of situations. Our downtown reservations revenue has increased over the last three years.

Mr. Guignon asked Mr. Uchtyl if we are missing revenue because Goldbelt is not answering their phone.

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Mr. Uchytel said we think we can manage their facility better than they are. We see excess capacity when they should not have any. If we do not do this, we are not losing any revenue. Our offices are staffed full time, unlike Goldbelt at their Seadrome office; we can offer better customer service. Mr. Uchytel said we would eventually craft a contract that outlines Docks & Harbors payment. It could be a straight percentage of their gross revenue or it could be a percentage split of collections. The details will be decided when a contract is drafted.

Mr. Borg said reservation revenue has increased substantially since we implemented new procedures and great customer service. Mr. Borg says that adding the Seadrome reservations to our office is a good thing.

Mr. Dimond said he supports of Docks & Harbors taking the reservations. He is concerned and wants to be assured that Docks & Harbors would be free of liability.

Mr. Uchytel said he understands the concerns and we are putting together a contractual arrangement. We do not know what their tariffs are. Contract details have yet to be worked out. Details on how we are going to organize the reservations is still pending.

Ms. Hughes Skandijs asked how the CBJ Law Department is involved in the process to draft a contract.

Mr. Uchytel said the Law Department has already said they would help with the contract. On page 23 in the last paragraph - Therefore, the City & Borough of Juneau Assembly authorizes Docks & Harbors, for the 2020 season, to perform downtown reservations to include moorage services for the privately owned Seadrome Dock and adjoining Merchant's Wharf float, as negotiated between the Goldbelt Chief Executive Officer and the CBJ Port Director. Mr. Uchytel wants to be above board, transparent, and consistent with CBJ Ordinance. Mr. Uchytel hopes that everyone trusts him and the CEO of Goldbelt to draft the contract and come in front of the Board for approval.

Committee Questions – none

Public Comment – none.

Committee Discussion/Action

MOTION BY MR. WOSTMANN: TO MOVE TO APPROVE A RESOLUTION ALLOWING DOCKS & HARBORS TO MANAGE DOWNTOWN MOORAGE RESERVATIONS FOR GOLDBELT, INC. FOR THE 2020 SEASON AND DIRECT STAFF TO PROCEED WITH THOSE NEGOTIATIONS AND ASK UNANIMOUS CONSENT.

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Mr. Ridgway objected and asked for a poll. Mr. Ridgway said he is not certain of the legal liability of the Board. He is not clear on the deal and he thinks there should be another check before moving forward.

Mary Wolf called the roll.

Mr. Dimond asked to have the motion repeated.

Mr. Etheridge reread the motion.

Mr. Dimond	Yes
Mr. Guignon	Yes
Mr. Ridgway	No
Ms. Smith	Yes
Mr. Wostmann	Yes
Mr. Simpson	Yes
Mr. Etheridge	Yes

Motion passed 6-1 with Mr. Ridgway – no.

VIII. New Business – none.

IX. Items for Information/Discussion

1. Assembly Finance Committee Preparation for April 1st
Presentation by the Port Director

Mr. Uchtyl said that he emailed the proposed budget to the Board last week. He did not know how much detail the Board wanted tonight. This Budget will be presented to the Assembly Finance Committee or the Committee of the Whole. This is our budget and amended budget. Mr. Uchtyl asked Mr. Etheridge how he wants him to walk through the presentation. Mr. Etheridge said just the highlights. Mr. Uchtyl said the Board is approving the Docks Budget and the Harbors Budget. Things to note is for the funding source you will see that the amended budget for 2020 is such where we are moving monies that we are going to collect for the vendor booths from the Docks Enterprise to the Harbor Enterprise. Our increase in the fund balance for docks is still in the black by \$116K because we are moving those monies into the harbor enterprise. The other adjustment is in personnel numbers or three-fourths of an FTE (full time equivalent) in docks downtown due to increase in cruise ship traffic and requirements by the Coast Guard. Fifty-five percent of all our expenditures are for personnel costs. We have asked the City Manager for money from Marine Passenger Fees for the July 1, 2021 Fiscal Year including operating costs and \$1M for a guardrail for downtown. The Harbors budget should it be approved you will note our charges for services. Mr. Uchtyl said because we moved money from the Docks Enterprise you will see that we have a little more money in the Harbors revenue for this year and future years. You will notice we are building up the Fund Balance again. Those are conservative in keeping the status quo year to year and

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adjusting what we see as possibilities. You will note that the State shared revenues for harbors is \$275K which is one of the lowest amounts in Raw Fish Tax. You will note that we are reducing the number of FTE's for the Harbors Enterprise. Personnel services for the harbor enterprise is forty-three percent. This shows the interdepartmental fees, landscaping fees we pay to Parks and Recreation for maintaining downtown flowers and vegetative cover at Statter Harbor. Fleet maintenance is included but it is still up for debate. The City would like all the vehicles to be under one vehicle pool with everyone paying in to it. These numbers that were given to us. Mr. Uchytel has asked for a meeting with the Public Works Director and Fleet Supervisor. It may not be in our best interest to consolidate our vehicles with the rest of the City. Conceptually it makes sense when you think about who drives city vehicles, but there is a certain amount of sharing that incentivizes. Docks & Harbors has really worked hard to recapitalize our truck fleet and they are in good condition now. They are paid for and we maintain them properly. It may not be in our best interest to have our vehicles in the shared pool. We want the Assembly to know two-thirds of our revenues are coming from moorage fees from the cruise ships docks and harbor moorage. Rentals and sales make up tideland leases and permits including loading zones, raw fish tax, marine passenger fees and interest. It is very interesting to see where our revenues come from.

Committee Discussion/Public Comment – none.

2. Request for Proposal (RFP) – Cruise Ship Dock Electrification Study
Presentation by the Port Director

Mr. Uchytel said he briefed the Board last week on the Scope of Services. If anyone wants to see the entire document, he can share it. He called attention to page 31 – the Scope of Services which a Board member asked that he add two additional bullets. (1) Evaluate or approximate the cost impact to cruise lines when using shore-side provided electrification over self-generated power while moored in Juneau. What is the cost saving to the cruise lines? (2) Evaluate or approximate air quality improvement anticipated in the Juneau downtown vicinity, if the cruise ship docks were provided with shore power opportunities. Mr. Uchytel said he thinks both of those questions are going to be very difficult for the consultants to come up with. He reminded the Board that the RFP is to select a consultant. We will then enter into a contract after we select the consultant and we will have answers that are more specific. We do not know what a cruise line pays for their fuel and so it is going to be difficult to get an answer of their cost in burning fuel alongside. We can ask the cruise lines to participate. There are also questions about cost analysis of what new cruise ship infrastructure will do to Juneau ratepayers. That can be very difficult. Perhaps some members of the Board have received phone calls from members of the public who have seen the RFP draft. The argument is that Docks & Harbors should not be asking those questions, that they should just be marching forward and bringing the infrastructure to power the cruise ships. It is an important question to ask as we move to electrify the cruise ship docks what are the downstream consequences to all the ratepayers. We need to have our eyes wide open. Even if we build it is there

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sufficient power in Juneau to power more than one cruise ship at a time? If we do build this, are we an interruptible customer like the Princess Dock? Will we ever have enough power to power our docks? Does historic preference of the Franklin dock always trump our docks? Those are the questions that Mr. Uchytel is trying to tease out and hopes to get answers for. They are not easy but we will do the best we can moving forward with the broad concept in trying to reduce our carbon footprint in Juneau.

Committee Discussion/Public Comment

Ms. Hughes-Skandijs said that she has personally received a couple of questions from people who have seen the early draft. She asked if Docks & Harbors has had discussions regarding any of the items on the RFP on electrification or just at the last meeting. Has the draft been distributed to anyone or any businesses?

Mr. Etheridge said they have discussed it among themselves at the OPS/Planning Commission Meeting, but there has not been any public comments or public participation as of yet. Mr. Etheridge has received one call from the public.

Mr. Uchytel said he provided a draft to Steve Benecke, AEL&P, Duff Mitchell and a LNG group. The RFP draft was sent out to people whom he thought would be interested in the project. Mr. Uchytel said he has not reached out to those whom he expects will bid on the project like Haight & Associates, Cochran Electrical in Seattle or PND. He spoke with Mr. Mitchell and had a meeting with AEL&P. They both had similar concerns. Mr. Uchytel said he is trying to walk a fine line and do due diligence as a public servant. He is trying to ask all the right questions as Docks & Harbors moves along in the process of this multi-million dollar investment. Once Docks & Harbors starts the process to select a consultant it is not a public process. It is a public process to award the project but the selection is based on staff and board members who want to participate in that selection process.

X. Committee and Member Reports

1. Operations/Planning Committee Meeting Wednesday, February 19, 2020.

Mr. Ridgway said the meeting was held at the Yacht Club. The members and public toured the north end of Aurora Harbor. Capt. Steven White with the USCG and Mr. Tom Mattice, CBJ Emergency Programs Manager discussed in very general terms the preparedness of their organizations regarding coronavirus and the cruise ship industry.

2. Member Reports - None

3. Assembly Lands Committee Liaison Report – None.

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4. Auke Bay Steering Committee Liaison Report – Mr. Wostmann said he had a very productive meeting with Mr. Schaal, Mr. Uchtyl and CBJ Planning Department. We discussed Statter and Douglas Harbors.

XI. Port Engineer's Report

Mr. Schaal said his report is in the packet on pages 51-54. He had a meeting with Mr. Wostmann regarding the Auke Bay rezoning plan, which Mr. Wostmann already mentioned. There are three ongoing projects. Phase III Statter Harbor, which he showed a short video of the blast that just happened. Phase 1-Deck Over of the Downtown Waterfront Improvements is moving right along and the last project is the Cruise Ship Security Checkpoints.

XII. Harbormaster's Report

Mr. Borg said the United States Navy Divers has been doing cold weather dive training. They have issued a trespass notice to a vessel without a permit for anchoring. Mr. Borg said it has been an honor and a pleasure to serve the Board the last six years. His last day at Juneau Docks & Harbors is March 20, 2020.

XIII. Port Director's Report –

Mr. Uchtyl met with the Community Development Department. He would really like to have a representative from the Harbor Board on its South Douglas/West Juneau Area Plan. March 3rd is their next meeting. Mr. Dimond asked Mr. Uchtyl if he could send him the information on the meeting and the plan. At the next Committee of the Whole Assembly meeting Mr. Watt, City Manager will be talking about the museum project and parking places at the Archipelago Project. The BUILD Grants Applications are due May 18, 2020. On March 5th, Goldbelt will be using a helicopter to bring down two 3500-pound wheels from up top of Mt. Roberts Tram.

XIV. Assembly Liaison Report – none.

XV. Board Administrative Matters

- a. Special Board Meeting to Approve Bid Award – Friday, March 13 at noon.
- b. Ops/Planning Committee Meeting – Wednesday, March 18 at 5:00pm.
- c. Board Meeting – Thursday, March 26 at 5:00pm.
- d. Finance Sub-Committee Meeting – April 29 at 3:00pm.

XVI. Adjournment - The meeting was adjourned at 6:35pm.

Respectfully Submitted by Mary Wolf, Admin Assist 1.