

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, November 29th, 2018

I. Call to Order.

Mr. Etheridge called the Regular Board Meeting to order at 5:00 p.m. in the Assembly Chambers

II. Roll Call.

The following members were present: Bob Janes, Mark Ridgway, David McCasland, James Becker, Bob Wostmann (Via telephone), Budd Simpson, and Don Etheridge.

Absent: Weston Eiler and Dan Blanchard

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette-Port Engineer, David Borg- Harbormaster, Matt Creswell-Deputy Harbormaster, Scott Hinton – Port Operations Supervisor, Mary Becker – Assembly Liaison

III. Approval of Agenda.

Mr. Uchtyl asked to have two special orders of business following the approval of the minutes.

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

Motion was approved with no objection.

IV. Approval of October 25th, 2018 Board Minutes.

Hearing no objection, the October 25th, 2018 Regular Board Meeting Minutes were approved as presented.

Special Order of Business-Mr. Borg said it is with a heavy heart that I inform you Dennis Holloway passed away Tuesday evening. He retired from Docks & Harbors at the end of September because he was battling cancer. His family was all here to be with him and they came by the office today to meet us and see where he worked.

Special Order of Business – Mr. Uchtyl read a letter from Capital Brew Fest 2018 organizers. The letter was from the Rotary Club thanking Docks & Harbors for providing yellow fencing for the 7th Annual Capital Brew Fest held on September 22nd. All proceeds and donations raised go to promote and facilitate charitable works in Southeast Alaska.

V. Public Participation on Non-Agenda Items – None

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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 – None

1. Approval of the 2020-2025 Capital Improvement Project (CIP) List

RECOMMENDATION: TO APPROVE THE DOCKS & HARBORS 2020-2025 CAPITAL IMPROVEMENT PROJECT (CIP) LIST.

2. Annual Report to the Assembly

RECOMMENDATION: TO APPROVE THE ANNUAL REPORT TO THE ASSEMBLY.

MOTION By MR. SIMPSON: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

VII. Unfinished Business-None

VIII. New Business

1. Docks Fund Transfer of \$2M into the Downtown Waterfront Improvement Project (Archipelago Project)

Mr. Simpson recused himself from this item.

Mr. McCasland also recused himself from this item.

Mr. Uchtyl said on Monday the 19th of November at the Committee of the Whole (COW) meeting, staff presented this project to the Assembly. The Project was brought forward so the Assembly would be prepared for the introduction on November 26th for the funding necessary to move forward with the public portion of the Archipelago project. Docks & Harbors needs to prove to the Assembly this is a good deal for the City and a good use of our precious resources. At the end of the COW there was an eight to one vote in favor to move forward. Horan & Company has been appraising the property based on appraisal instructions the City Manager and Docks & Harbors has provided. We did receive a draft appraisal from Horan & Company. Mr. Uchtyl said he will meet with Mr. Gillette, City Manager, and Bob Bartholomew to try to figure out a path forward. The draft appraisal shows this is favorable for the City and the Archipelago LLC representatives feel it is too favorable. He said he not sure how this will work out, but they are still working on negotiations. Staff still wants to advertise for rebar and steel pilings next week. Mr. Uchtyl said we still need to see how the

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appraisal and the PSA fit together. Staff received an updated PSA from the Deputy City Attorney which only has minor changes from the one he forwarded to all the Board members after the last Operations meeting. Everything has been approved to move forward but the issue now is the appraisal.

Board Questions

Mr. Ridgway asked if Archipelago LLC does see the appraisal overly beneficial to the City would that mean we need to go back and negotiate some more?

Mr. Uchytel said there is a potential for the City Manager to think this is a take it or leave it type proposition.

Mr. Uchytel said the Finance Director Bob Bartholomew has put together a funding scheme for the project which is on page 15 in the packet. This has been introduced to the Assembly to take action on December 17th. The Docks fund balance currently is \$4M.

Mr. Becker asked if the \$4M is already allocated or just sitting to be used.

Mr. Uchytel said it is just sitting to be used. However, the Finance Department wants Docks and Harbors fund balances to always have \$1M for emergency purposes.

Public Comment-None

Board Discussion/Action

Mr. Ridgway asked if there was any change since the Operations Committee meeting that there would be an issue with using Marine Passenger Fees for this project?

Mr. Etheridge said he spoke with people in the Industry and they said they saw no issues at this time.

Mr. Ridgway asked in Legal review of the PSA, and once the deal is made, is there any chance Archipelago can change their mind and not do their construction portion of this project?

Mr. Uchytel said he does not think there is anything in the PSA that mandates them to construct. There is language about what the intentions of both parties are, but not a penalty if they don't. He said both construction projects can stand alone. Once we build our portion, that will meet the needs of the cruise ship passengers.

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MOTION By MR. JANES: TO RECOMMEND THE CBJ ASSEMBLY APPROVE A TRANSFER OF \$2M FROM THE DOCK FUND TO THE DOWNTOWN WATERFRONT IMPROVEMENT PROJECT (ARCHIPELAGO PROJECT) AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

Mr. Simpson and Mr. McCasland wanted the record to show they abstained from voting on this topic.

IX. Items for Information/Discussion

1. Statter Harbor Phase IIIA – Delay

Mr. Uchytel said it was decided today that we will not be able to secure the necessary permit to move forward with the dredging, blasting, and wall this winter. We will continue to work on getting the permits and this is very frustrating for all.

Board Discussion/Public Comment

Mr. Janes asked if it was the pile driving or blasting that is the reason we are not able to get a permit?

Mr. Uchytel said the reason is that this project supports activity that some in the NOAA regulatory divisions are against. Meaning, they don't like whale watching charter vessels activity and they can slow the process for the infrastructure we want to build.

Mr. Janes commented that this last year, with the superior management at Auke Bay and the slightly changed boating habits with the new launch ramps, it went well and we should be fine for another year. He asked if there is another way to approach the Harbor project with a new development that wouldn't require excessive pile driving or blasting? Maybe modify the phase III project to be able to get a permit.

Mr. Uchytel said not that he knows of.

2. Port Seasonal Staffing Increase

Mr. Borg said we have done a lot with few staff for a long time but we are finally at our breaking point. He showed a power point presentation. He said five years ago we had a dock with yellow fences on it and two people at each end and all they did was move yellow fences around. We observed people and watched what they did and were minimally trained. What we do today is everything from water side security to parking lot enforcement and the list goes on. The Port crew are the first people

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cruise ship passengers see when they step off the ship. In 2014 and 2015 combined, we had 381 ships at the AS and CT docks and lightered 54 ships with a passenger count of \$709,000 people. In 2014 was the CSTSA parking lot improvement and the Port Director established an enforcement plan which included the paid parking lot. At that time we had 11 seasonal employees with four of them Officers. We would actually supplement people from the harbor at peak times to help out. In 2016 we added another 25,000 to 30,000 sq/ft of infrastructure which included the use of the inside of the CT float and the PFO float. That is when the Coast Guard showed up and said our FSP is wrong and we had a big surprise. One big change was from observing people coming and going to 100% ID check for everyone going on the boat. That year we had 209 ships and lightered 25 with a total of 392,000 cruise ship passengers. We also had a need to add more administrative staff because of the change to the reservation policy which doubled the vessels we put on the IVF. Another surprise in 2016 is when ADOT said Docks & Harbors was not allowed to block traffic without a permit. To obtain the permit we needed to have two staff trained for traffic control supervisor duties. In 2017 was when the cruise ship floats were completed, and we took on grey water operations which takes two people to hook the ship up and disconnect. We had 253 ships that year and lightered 10 with a passenger count of 473,000. The Marine Park Lightering float was removed and the lightering operations are now shifted to the PFO float. This was the year we realized we would need more people. We decided to take a Harbor Officer from Statter Harbor and replace with a Harbor Technician and move the Harbor Officer to the Port. Even with the Increase, we still supplemented with Aurora Harbor staff. In 2018, 244 ships came to our docks and 28 lightered with a passenger count of 532,712. Since the arrival of the Bliss, staff has learned the traffic control plan for the Columbia Lot will need to be change drastically for next year. He said Mr. Hinton will provide information on 2019 operations.

Mr. Hinton said in 2019 the Ovation will be arriving on Sundays at the AS dock and it is a little larger than the Bliss. There is the Carnival Legend on Saturdays with a short turn around time so this requires two people checking ID's so the passengers can get back on the ship for departure. The sister ship to the Bliss will also be coming next year which is the Joy. The Bliss arrives early and leaves about 2pm and then the Joy will pull in. This will increase our active traffic management from 10 am to 12:30 pm to 10 am to 5pm. Industry input at our end of the season meeting was about lot management, traffic concerns, and the

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congestion of our lots. In 2016/2017 the AS dock nearly tripled its passenger capacity, and when ships lighter, it requires more staff. Mr. Hinton showed a staff schedule and explained his scheduling challenges.

Mr. Borg said there is a definite increase in passenger counts to 2018 and overtime costs. Overtime is not a proper way to manage staff because sooner or later people snap. Seasonal Harbor Officers which is a .5 FTE, are paid at a range 15. With benefits, their pay is \$39,000. A Seasonal Harbor Technician which is also a .5 FTE is paid at a range 10. With benefits, their pay is \$28,000. We are asking to add one each to get us to where we need to be for now.

Board Discussion/Public Comment

Mr. Becker asked how many seasonal employees are at the Port currently?

Mr. Borg said at the Port we have 14.

Mr. Becker asked if he wanted to go to 16?

Mr. Borg said yes at the Port. We do have other seasonal staff at Statter Harbor.

Mr. Janes said it sounds like you are asking for a smaller amount of employees for the percentage increase in passenger. He asked if this was going to be enough employee's? The passenger counts are growing very fast.

Mr. Borg said this is the minimum. I don't want to ask for too much. One of the big feedback we receive from tour operators is our lot management which always takes a hit on the big heavy days. Our thought is to have another Harbor Officer and have that person assigned just to lot management. He said he is not sure of what is to come and the Coast Guard could show up again and say they want to change our way of doing business today, but he thinks this should be good for this year. The new security booths will also help in funneling everyone through a specific check point. If we need more employees we will be back again next year.

Mr. Ridgway asked if he looked at contracting some of the extra duties out?

Mr. Uchytel said our employees are MEBA represented and when we talk about outsourcing work we get some push back from the Union.

Mr. Borg said these are our duties. He said he would have a hard time contracting out lot management. The lead staff knows the tour operators and that helps to keep the drama down and take care of business.

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Mr. Ridgway said he was suggesting contracting out in addition to the additional staff.

Mr. Janes said he is in support of this request and suggests there may be a need for more.

Mr. Uchytel said with the more passengers there is more trash that Port staff picks up, and the need for more B-Zone enforcement at the Red Dog. We can make a strong argument we need more people. We came along way with our employees over the last four years.

3. FY20 Marine Passenger Fee Request

Mr. Gillette said in your packet starting on page 16 is our Marine Passenger Fee request for CBJ Marine Passenger Fees for 2017. This is a list of operations and projects that we sought money for in 2017. In December the City Manager will be asking the public and Departments for their FY20 funds wish list. He talked about each request.

- Area Wide Operations- we have been asking \$154,000 for many years, but with the extra staffing request that amount will increase. This also covers maintenance and operations.
- Page 18 in the packet is the request for the Port Customs building and Visitor Center maintenance. This covers janitorial services, trash, washing windows, and washing the buildings. The amount for this request will probably stay the same.
- CBJ Parks and Rec takes care of all our landscaping downtown and it costs Docks & Harbors \$45,000. We have been asking for Marine Passenger Fees for this but we have been unsuccessful so far.
- On Page 20 is the Weather and Current Monitoring System. This was installed as part of the Cruise Berth Project to give mariners more information as they approach the dock which was a condition of our conditional use permit. This request would be for annual operations and maintenance of that system. We will probably continue to ask that amount.
- Page 21 is the Franklin Dock Tug Support which happens a couple times a year. We will probably only ask \$10,000 this year.
- On page 22 is the corrosion project. This is a CIP which has been funded from the 16B project and is under contract. The project will start in January so we will not be asking for this again.
- The Visitor Center Kiosk we did receive \$150,000 for this project last year. Mr. Gillette said he is meeting with the Architect tomorrow to go over the 95% drawings and to have 100% drawings by the end of next week so it can go out to bid. As long as we get

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a good bid we will be able to get the old kiosk replaced by next May. We will not be asking for this again.

- The Cruise Ship Uplands Staging area is part of the Archipelago project so we will not ask for this.
- The Downtown Restrooms we did receive the \$500,000 which will go into the Archipelago project because the restroom will be added in that project.
- On page 26 we had a request for a TWIC Card reader, and we did receive this money, but the Coast Guard has put that on indefinite schedule so we no longer need it. However, we asked the City Manager to reprogram this \$170,000 to a CIP project to build two security check points. We think we will need more money to cover the construction of both so we will ask for additional funds for phase II.

He asked the Board to let staff know if there is anything from their perspective that should be addressed and added to this list.

Mr. Becker asked on Page 21 with the Tug Support, what is the wind velocity that they ask for tug support and what are the tides?

Mr. Gillette said there are the winds and currents and that is why we have the weather monitoring system so as a ship comes in a captain or pilot can make a call. The condition is if it is over 25 knots we would pay for it. It has been used every year a couple times.

Mr. Janes asked about the Area Wide Port Operations that Mr. Gillette was not certain if we have asked for an increase?

Mr. Gillette said we have not asked for an increase and it has been this amount for a number of years but with the need for more staff this will need to increase.

Mr. Janes recommended to increase this amount if needed.

Mr. Ridgway asked if the Marine Passenger Fees assist in mitigating the impacts of the Industry on locals living in Juneau? He said if locals access to the water downtown was somehow impacted by the Industry that it would allow Marine Passenger Fees to be used to mitigate that impact?

Mr. Gillette said generally he did not think so. How he understands it is it has to be targeted toward servicing the Industry.

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Mr. Uchytel said the Library was funded for their Fiber Optic to increase WIFI. There are creative ways to acquire some of the Marine Passenger Fee monies and it is not limited to governmental requests. If a citizen is impacted they could apply just the same as we apply. A few years ago Goldbelt received money to replace their gangway at the Seadrome dock.

Public Comment

Dennis Watson, Juneau, AK

He said he has not heard any discussion on the DOT major upgrade to Egan next spring. The project will go from Main street to 10th street and could have some major impacts on operations.

X. Committee and Board Member Reports

1. OPS/Planning Committee Meeting – Wednesday November 14th, 2018

Mr. Ridgway said the committee heard a summary on the Archipelago project.

2. Member Reports – None

3. Assembly Lands Committee Liaison Report – None

4. Auke Bay Steering Committee Liaison Report-

Mr. Gillette said they are doing a rezone proposal and he believes there is a public meeting on December 6th.

Mr. Janes said he will attend that meeting.

XI. Port Engineers Report – Mr. Gillette's report is in the packet

Mr. Gillette said he did want to talk about Aurora Harbor rebuild. We did hear from the Army Corps Of Engineers that they did receive funding for dredging and that will happen in the fall of 2019 which means staff would like to move forward with demolition so they can dredge that whole north section of the harbor. This would be similar to what we did in Douglas. We took out all the floats, they came in and dredged, then we came back and put the infrastructure back in. The demolition is the small portion but the rebuild is the \$4M that we have an ask in for a DOT grant.

Mr. Becker asked what staff is planning to do with the tailings from dredging?

Mr. Gillette said the Army Corps has a permit to put them in the channel. They are also going to do work on the breakwater. All the wood at the top of the breakwater will be all pulled out and they will be putting in new posts and new wood. They will also be doing minor dredging in Harris. The total of the work is around \$6M.

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XII. Harbormaster's Report

Mr. Borg reported;

- We worked with the Skookum yarder to put another anchor on the Lumberman. We received the anchor from DIPAC along with 80' of chain and about 200' of line. The anchor was hooked up to the bow and it held for about three or four days and the stern anchor floated in the 20' tides. The good news is our anchor held. It has moved a little but still out of the waterway. It was better to do something than nothing. We will continue to monitor it but we do not assume any responsibility.
- The Airport crew has been a huge help with helping us put the chains on our loader.
- The Docks & Harbors Christmas Party and Ugly Sweater Contest will be held December 8th at DIPAC thanks to Mr. Becker. It will be between 6 and 9pm.

Ms. Becker said there has been anchors put on the Lumberman. Nothing is holding and if it drifts into CBJ water will it then give the responsibility back to CBJ?

Mr. Borg said there was two anchors on it originally when the Lumberman was sitting outside the Harbor. One of the anchors broke lose. The one that stayed was on a short line and it drifted into shallower water and that was why it stayed for so long. The only additional anchor and the one that stayed is the one that we just put on it and that was on a much longer line. If it drifts to CBJ waters we will be responsible for it.

Mr. Ridgway asked if people were still on the Lumberman, and where did the anchor fail?

Mr. Borg said the moor was broke at the top and no one is living on it.

XIII. Port Director's Report

Mr. Uchytel reported;

- The Auke Bay Marine Station wave attenuator did not make the FY19 work plan. This will take another year of work.
- Our allocation of Raw Fish Tax was \$448,000 which is up 15% from previous years.
- We are anticipating Governor Walker will release a budget by tomorrow. We are hoping for full funding for the Harbor Grant Program for Aurora Harbor Phase III. He suspects Governor Elect Dunleavy will issue another budget by December 15th. We need \$4.5M in the Harbor Grant Program. With \$1M going to Angoon,

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Sitka \$1.5M and \$2M for us. If the Program has \$4.5M we are in good for Aurora phase III.

- We will hear back on the BUILD Grants no later than December 18th.
- The Thane Ore House was razed last Saturday and the Fire Department got good training out of it.
- He said he will be attending the Assembly retreat this Saturday.
- The RFP for the Small Cruise Ships is on the streets. There will be a pre-proposal conference on December 11th.
- Mr. Borg, Mr. Creswell, and himself gave a tour of the Auke Bay Marine Station to Ed Page from Alaska Marine Exchange to see if he was interested in leasing it. Mr. Uchytel said he has not heard back from him yet.

Mr. Simpson left the meeting at 6:33 pm.

XIV. Assembly Liaison Report-

Ms. Becker reported;

- The Archipelago issue has been front and center in so many Committees and the Assembly and it has high interest and positive feelings. The only thing she has heard from public and Assembly members is if we can use part of that dock in the winter don't we have to pay for it. She has been replying that Docks & Harbors will figure that out and if it is going to be used there will be public funds used.

Mr. Uchytel said he has been telling people when asked that we will use the development to the maximum extent possible allowed by the Judge Holland ruling.

- Ms. Becker said Ella and Alan Rodgers wants to do a land trade with CBJ. The Land Committee sent this to the Assembly with a positive vote. They have a small home on the water and they want to move uplands and trade CBJ the water property. A survey was completed by Horan & Company. They will get a lot more land but it won't be as valuable as the water front property.
- DOT has asked for two temporary, four permanent and one temporary construction easement for the Twin Lake culverts. This was sent to the Assembly with Lands approval. It will need to go to Parks & Rec first.
- There was a request from Thomas and Lisa Daugherty to purchase 530 sq/ft of CBJ land so they will be able to subdivide.
- CBJ is accepting donations for the Legislature bags.
- The Assembly retreat will be from 8am to 2pm on Saturday at the Hospital Board room.

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- XV. Board Administrative Matters
 - a. Operations/Planning Committee Meeting – Next meeting is Wednesday December 12th, 2018 at 5:00 p.m.
 - b. Board Meeting – Next meeting is Thursday December 20th, 2018 at 5:00 p.m.
- XVI. Adjournment
 - The regular Board Meeting adjourned at 6:39 p.m.