CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, August 30, 2018

I. Call to Order

Mr. Etheridge called the Regular Board Meeting to order at 5:05 pm in the CBJ Assembly Chambers.

II. Roll Call

The following members were present: Dan Blanchard (via phone 5:00pm), James Becker, Weston Eiler, Budd Simpson, Mark Ridgway, Bob Wostmann and Don Etheridge.

Absent: Robert Janes, David McCasland

Also present were the following: Carl Uchytil – Port Director, Gary Gillette – Port Engineer, Dave Borg – Harbormaster, Matt Creswell – Deputy Harbormaster, John Osborn – Harbor Operations Manager and Ashley Bruce – Administrative Assistant 1 Port Field Office.

III. Approval of Agenda

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

Motion passed with no objection.

IV. Approval of June 28, 2018 Board Minutes.

MOTION BY MR. SIMPSON: TO APPROVE THE BOARD MINUTES AS PRESENTED AND ASK FOR UNANIMOUS CONSENT.

Motion passed no objection.

V. Public Participation on Non-Agenda Items

No public participation.

VI. Special Order of Business

Mr. Uchytil presented a certificate to Ashley Bruce for going above and beyond her duties in thwarting a theft of a purse from a vendor booth. Her observance of a person acting suspiciously and taking action upon the theft and recovery of the item safely. Her efforts and quick thinking was very much appreciated.

VII. Board Election of Officers

MOTION BY MR. SIMPSON: TO NOMINATE MR. ETHERIDGE AS BOARD CHAIRMAN AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

MOTION BY MR. EILER: TO NOMINATE MR. SIMPSON AS VICE CHAIRMAN AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

OPS and Planning Committee Election of Officers

MOTION BY MR. SIMPSON: TO NOMINATE MR. EILER AS PRESENTED AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

MOTION BY MR. EILER: TO NOMINATE MR. RIDGWAY AS PRESENTED AND ASK FOR UNANIMOUS CONSENT

Motion passed with no objection.

VIII. Consent Agenda

A. Public Requests for Consent Agenda Changes – None
B. Board Members Requests for Consent Agenda Changes – None
C. Items of Action

1. Auke Bay Boatyard Lease
   Presentation by the Port Director

   RECOMMENDATION: TO APPROVE THE LANGUAGE OF A NEW 10-YEAR AUKE BAY BOATYARD LEASE TO HARRIS COMMERCIAL MARINE.

2. Donation of 65 foot Gangway

   RECOMMENTION: TO TRANSFER THE FORMER 65 FOOT ADA RAMP TO CBJ PARKS & RECREATION FOR THE PUBLIC USE IN LEMON CREEK.

3. Purchase Option of Boat Shelter (AF-026)

   RECOMMENDATION: THAT THE BOARD WAIVE IT RIGHT OF FIRST REFUSAL TO PURCHASE BOAT SHELTER AF-026 BY WILLIAM EDGAR & LINDA LANE.

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

Motion Passed with no objection.

IX. Unfinished Business

1. Acceptance of $140,000 ADOT Harbor Facilities Grant for Douglas Harbor.

Mr. Uchytil said that Docks & Harbors received a windfall of $140,000 from the Department of Transportation Municipal Harbor Facility Grant. This is one of the few opportunities we have to recapitalize our small boat infrastructure. A year ago we submitted an application for several projects which the Legislature receives a recommendation from DOT of all the projects listed, two of our projects for zinc anodes for Harris Harbor and Douglas Harbor were 7th & 8th on the list, which is expected. At the end of the Legislative Session DOT found other monies through other projects that did not use all of their funding. So we have committed $140K from our fund balance and their $140K for a total of $280K to award a contract a year from now for Douglas Harbor zinc anodes. We want to wait for Harris harbor funding so we can fund the two projects together to hopefully save money. This unexpected grant funding has to go through the Assembly for acceptance.

Board Questions – none.

Public Comment – none.

Board Discussion/Action

MOTION BY MR. EILER: TO RECOMMEND THE ASSEMBLY ACCEPTS THE ADOT HARBOR FACILITES GRANT FOR $140,000 TO INSTALL ZINC ANODES AT MIKE PUSICH DOUGLAS HARBOR AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

X. New Business –

1. Cancellation of ATS 123 Lot 2 Lease

Mr. Uchytil said he drafted a letter about concerns what the back stop should be concerning return of tidelands that have environmental concerns. The letter also stated The Docks & Harbors Board is willing to mutually agree to accept the return of the lease after physical inspection of the property. Mr. Uchytil wanted to make sure this is in line with what the Board Wants and any concern any member may have.

Mr. Eiler asked if Mr. Uchytil could remind him if this lease entered into separately or in a quilt of other leases. How did this originate?

Mr. Uchytil stated it was given to us by the State in 2002 and there was a lessee before Mr. Trucano. Mr. Trucano had it from 1986-2004 turned it back to us and then leased it again from us in 2014. Mr. Trucano wanted to secure the area because of a view plane for his mother. Mr. Uchytil stated he is not sure if the property is viable to anyone else. Mr. Trucano has other leases in that area under Trucano Construction.

Board Questions - None

Public Comment-None

Board Discussion/Action

Mr. Ridgway said his recollection of the operations committee meeting discussion was not so much specific to this piece of property but more of a question of other properties that Docks & Harbors may have that as they are cancelled that we do due diligence to insure we don't have any lingering liability either from contamination or left over improvements.

Mr. Becker asked if we do a pre-inspection when we enter into a lease. By doing so would this help us when a lease is turned back in to us that we know the condition if was leased out in and any contamination by the lessee could be address properly.

Mr. Uchytil we typically do not. We rarely have a lease turned back in. More often than not we do not have a process for soil sampling and risk assessment.

Mr. Eiler stated unrelated to this that at the next Strategic Board Retreat he would be interested in looking broadly at the book of business in terms of our tidelands inventory and our assets.

MOTION BY MR. SIMPSON: TO ACCEPT THE CANCELLATION REQUEST FROM NOWELL AVENUE DEVELOPMENT, LLC FOR LEASE OF ATS 123 LOT 2 AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

2. Bid Award – Downtown Waterfront Facilities Sheet Pile Wall Coatings Project (DH19-011)

Presentation by Mr. Gillette, Port Engineer. On page 54 of the Board Packet you will see the posting notice of bids that were done today. We originally had 3 bids, one bidder pulled their bid. The low bidder, Purcell P &C LLC was $260,000 which was higher than our Engineer's estimate of the cost of the project of $192,000. It is a very necessary project and there is nothing we can do to scale back the project. We started the Cathodic Projects about 5 years ago and worked with our CBJ Engineering Department in putting together a bundled bid and it too came in way over. We scaled it back and then we did another phase which we completed in the spring of 2018. This project is to coat the wall. This is probably the best we can expect and I don't think we will do any better putting it out for bid again. It is a very difficult and large scale project. We have about $240,000 in the account for this project plus we will need about another $36,000 for construction administration. If you approve this Bid Award it will go before The Assembly which is scheduled for September 17th. In the meantime we will put together the finance portion and transfer of funds for this project.

Board Questions – None

Public Comment – None

Board Discussion/Action

Mr. Wostmann noted that this type of preventive maintenance is critical to making sure we have the maximum life span of our facilities. He approves of this project.

MOTION BY MR. RIDGWAY: TO AWARD OF THE DOWNTOWN WATERFRONT FACILITIES SHEET PILE WALL COATINGS PROJECT TO PURCELL P & C, LLC FOR $260,000 AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection

3. Fy2018 – Docks Enterprise Supplemental

   Mr. Uchytil received a call from CBJ Finance Department today and was told that Docks & Harbors expended our budgetary authority by $35.000 in the Docks Enterprise this year. We are not the only department who had this overage. Revenues for Docks Enterprise exceeded our expenditures. The budget /actuals on page 59 show revenues in Docks at 1.8 million and we brought in 2.25 million. Expenditures were in extraordinary personnel costs to accommodate in part to the needs or new and larger ships, new docks, new callings for facilities, more personnel hours and we need to adjust in future years to account for additional costs. We were hopeful costs would diminish, but in reality there are more asks for security and facilities being used at a record pace for the CBJ owned facilities. The bottom line on page 58 personnel costs is what pushed the $35,000 cost that we need permission from the Assembly to balance the books.

   Mr. Eiler asked if the amount of overtime hours is in our usual norms – high or low compared to recent years.

   Mr. Uchytil responded that in recent years that $10,000 was budgeted for overtime including budget year from July 1, 2017 to June 30, 2018. With the demands we needed to pull in more people to accommodate the arrivals and departures. We adjusted it in the FY19/20 budgets but it was too late to go backwards to FY17/18. Mr. Borg stated that we were also required to maintain a crew longer than normal due to winterizing a complex water system. We extended their time out by a pay period which had not been done in the past.

   Mr. Eiler asked what the billable hour is for a Harbor Officer for an event or if we deploy staff. Do we bill internally or externally for that.

   Mr. Uchytil said we use an ordinance rate of $75/hour and in towing the ordinance rate is $125/per hour. Sometimes a vessel comes in early we have to call people in for that which are billed at a normal rate.

   Mr. Borg stated that we have had vessels stay overnight, which never happened in the past, that also added to our costs.

   Mr. Ridgway to Mr. Uchytil, when you say there have been more asks, can you expand on that.

   Mr. Uchytil explained that area is much busier now, more coaches, more ships, more movement of people, cabs and pedi cabs. We thought more efficient docks would mean less man hours but that hasn't happened. Now with more efficient facilities there are more responsibilities. Now they check ID's and check the level of security of the floats. Lightering security is up. Next year the lightering will triple.

Mr. Ridgway asked if we will we continue to increase our budget or how else will fund that.

Mr. Uchytil advised we get $154,000 from Marine Passenger Fees, maybe we should ask for more of that. We don't want to appear greedy of those funds, because we do run in the black. This supplemental is really just to clean the books up because we did exceed our authorization.

Board Questions - None

Public Comment-Mr. Dennis Watson, 9333 N. Front St. commented that during budget review The Assembly was looking at acquiring some of Docks & Harbors surplus funds. I would look carefully about asking for $35,000. This is just a comment from the public. I hope we have those expenses covered this year so it looks a little better.

Board Discussion/Action - None

MOTION BY MR. RIDGWAY: TO RECOMMEND THE DOCKS AND HARBORS ENTERPRISE FY18 BUDGET IS INCREASED $35K FOR THE APPROVED BUDGET AND FORWARD TO THE ASSEMBLY FOR APPROVAL.

Motion passed with no objection.

XI. Items for Information/Discussion

1. Review of Docks & Harbors Bylaw's

Mr. Uchytil stated this is a good opportunity to bring the bylaws before this Board this fiscal year. Past Chair Tom Donek broached this topic that we should be thinking about correcting the Bylaws because we have not been holding a standing committee for the finance. We can talk more about this at the OPS Planning meeting next month. Other than sharing the Bylaws with the Board, I think we need to update the standing committees. This was done in 2014. We could also change the order of business. This is our blueprint on how we conduct our business and if there is anything I can bring forward tonight or I can bring it to next month's OPS Committee if that is what the Board would like to do.

Mr. Simpson - I would suggested that Board members take the Bylaws and review them and identity anything that looks out of place or needs up dated and the chair may want to appoint a 2 or 3 person subcommittee and offer come changes by the next OPS or Board meeting. I don't see it as real urgent.

Mr. Etheridge agrees.

Mr. Eiler seconds Mr. Simpson's comments. I also suggests in the long term that staff may high light not only updates that are needed in our Bylaw's but the need to review and propose updates to Title 85 which is our governing ordinances in terms to our operations.

Mr. Uchytil wants to let the board know that he has approached the CBJ Law Department about coordinating training for the Board. We have four new members. I was asking Law about Board training; pertinent topics are: Roberts Rule of Order, parliamentary procedures, Alaska Open Meeting Act overview, what is an illegal meeting, what if you don't have a quorum at a public noticed meeting, recusal for what reasons, what a recusal looks like at a public meeting, and ethical considerations for an empowered board. I would like to coordinate with them for Board training and hopefully they will do this for us.

Dan Blanchard by phone. Thank you very much Carl. I would definitely appreciate that education and know that it would make me more effective and more cognizant of the legalities involved in proper procedure. I would defiantly endorse that opportunity.

Public Comment – None

2. Aurora & Harris Harbors – Maintenance Dredging

Mr. Uchytil reference a handout. I received a nice visit from the Alaska District of Army Corp of Engineers. Donna West came to visit Gary and me. This pertains to the Corps' plans to do maintenance dredging at Aurora & Harris Harbors. I applied for a program under beneficial use of dredge materials for upland use with the hope of convincing them to build a retaining wall south of the Yacht Club to increase our parkland area and to move the tidal grid from Harris to there. Donna came to deliver the news personally. They spent three days reviewing this and could not make it work. They would need $6M to do this. The good news is that they will do maintenance dredging at Harris and Aurora harbors. Aurora Harbor is at the federally dredged depth of minus 14 feet. Aurora DMMU 1 & 2 (Dredged Material Management Unit) are the proposed areas they are looking at for maintenance dredging. The other portions of Aurora Harbor are considered to be at minus 14. You see the swath of potential boat parking, that is the area we have designated as the 110 foot slip that was partially funded by head tax for tug boat support for cruise ships. That is probably at a depth of minus 14. They tested it, we wanted it at minus 20, it is very dirty and they are not willing to dredge that portion. DNMU 1 & 2 at Aurora are clean enough for good disposal. DMMU 2 is about 2000 cubic yards and DMMU 1 is about 9000 cubic yards, both are clean enough for in water disposal. At Harris Harbor DMNU 2 is shown on the second sheet. It shows the breakwater at Harris and the Corps is proposing not dredging the north side of Harris basin below minus 11 because it has mercury. The proposal is not to disturb any of the material on the northwestern side of Harris. The majority of the maintenance dredge work would be south and east and upwards of 26,000 cubic yards out of Harris basin. Technically a lot of this would benefit that area. The numbers is about DMMU1 is about 26,000 cubic project dredge area. That's what they are proposing; they also looked at the stone jetty for Harris for armor stone and proposing work at the Aurora Harbor breakwater to completely replace the timber breakwater water for us. Total is about $6M for improvements and dredging the breakwater. We have a good dialog with the Corp of Engineers and when they get ready to dredge and demolish the north end of Harris Harbor and we want to allow their contractor to come in unimpeded and really clean it up the best they can. Hopefully we will get the Harbor Grant for FY20, and we will be able to place of the floats back and have a viable harbor on the north end. No ask of the board of this time, just letting you know my discussion with them.

Board Discussion/Public Comment

Mr. Ridgway is curious if that material could be used for fill.

Mr. Uchytil state that the fill is muck and would not be good for that.

Mr. Eiler wanted to know if the material could be used to shallow up North Douglas.

Mr. Uchytil it is not of course shot rock quality, so probably not.

3. Aurora Boat Shelters

Mr. Uchytil explained we had a request from a boat shelter owner asking Docks & Harbors to waive our first right of refusal, which we did today. At the last OPS Meeting, there was discussion regarding the turnover rate of the boat shelter and whether boat shelters are a liability to Docks & Harbors. What should the policy be with boat shelter owners and what role does docks and harbors have in public entity that is providing them the infrastructure for them to remain moored in our facilities. I asked Jennifer Shinn to provide us the information and this sheet shows a snap shot of the turnover rate. In the last 10 years we have several who have had several different owners. We have some that have sold half of their shelters multiple times and some that have sold 3 times in the 10 last years and a hand full of others owners that have also flipped. I just wanted to provide this information.

Mr. Simpson, my concern is not the number or amount of owners turnover, but the trouble and expenses because of the boat shelters, moving etc. and if we had been systematically been acquiring them as they turned over we might have saved as much as it cost us to move them around. My question: is it not the case when you own a shelter you automatically get to be the tenant in the stall and get to work around our slip allocation and the policy for stalls. I think we ought to think about not automatically declining these options and we could start out at $25K a pop or so and gradually own and lease them out and charge extra and gradually acquire them and lease them out.

Mr. Etheridge commented that boat shelter owners pay more for moorage than the average stall.

Mr. Uchytil explained that they also pay property tax and moorage based on the length of the boat or shelter. We do not hot berth boat shelters. We allow the owners to manage their shelters.

Mr. Ridgway recollects at the OPS meeting the discussion was triggered by a board perspective to have some metrics to continue the discussion and to ask staff what they think the long term vision is for the boat shelters. The do sink, we have some liability concerns, some are dilapidated and I think it's something we need to continue to discuss. What is our long term vision? Could we discuss more at a retreat?

XII. <u>Committee and Member Reports</u>

1. Operations/Planning Committee Meeting-Wednesday August 22, 2018 –
   Mr. Eiler reported the Committee;
   - Lease return, boat shelters

   Mr. Simpson reported the Committee:
   - Port Directors Evaluation

2. Member Reports – none

3. Assembly Lands Committee Liaison Report- Mr. Eiler
   - Issue up on Star Hill in regards to a driveway through a park
   - Proposal on the lot of the old Gastineau Apartments at Front & Franklin streets to have food carts or other businesses on that lot.

4. Auke Bay Steering Committee Liaison Report- No Report

XIII. Port Engineer's Report –

Mr. Gillette said his written report was in the packet. Highlights of his report:
- Chart that shows the projection of our current projects and future projects.

XIV. Harbormaster's Report –

Mr. Borg reported;
- Salmon Derby was successful.
- Matt did a great job managing parking lot.
- Norway Point sustained some damage from low tide we have a plan in place to fix it in-house.
- Seasonal employees last day will be Sept. 30 with the exception of 3 who will remain on until October 6
- Installation of Harbor signs at North Douglas
- Appreciate kind words about the Harbor and Port employees
- Open invite for a ride along for new board members

Mr. Creswell reported:
- Float was installed at Auke Bay Marine Station

XV. Port Director's Report

- Post season meetings for transportation, vendor booths and Auke Bay user groups
- Royal Caribbean Cruise Line Corporate and Drew Green toured our sea walk and dock facilities. RCCL was very impressed and engaged in our improvements and believes Juneau is the hub and spoke of Alaska. They are not shying away from more investments in Juneau. Agrees with what we are doing and the improvements we are making.
- NOAA Meeting about relocating some of their vessels to Juneau or Ketchikan.
- Give me Strategic Retreat planning dates and ideas.
- ACAST Meeting in Anchorage this week to talk about getting more DOT monies to Alaska. Governor appointed me to this committee.

Mr. Ridgway would like staff to draft a letter to NOAA Senior Executive Services to encourage them to come to Juneau.

XIV. Assembly Liaison Report – none

XV. Board Administrative Matters

a. Ops/Planning Committee Meeting – Wednesday September 19, 2018 at 5:00pm
b. Board Meeting – Thursday, September 27, 2018 at 5:00pm

XVI. Adjournment – The regular Board Meeting adjourned at 6:43 pm.