

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, February 22nd, 2018

I. Call to Order

Mr. Donek called the Regular Board Meeting to order at 4:59 pm in the CBJ Assembly Chambers.

II. Roll Call

The following members were present: Weston Eiler (5:03 pm), Don Etheridge, Bob Janes, Robert Mosher, Mark Ridgway (via telephone), Budd Simpson, and Tom Donek.

Absent: David Seng, and Budd Simpson

Also present were the following: Carl Uchtyl – Port Director, Dave Borg – Harbormaster, Gary Gillette – Port Engineer, and Matthew Creswell – Deputy Harbormaster.

III. Approval of Agenda

Mr. Uchtyl requested to add #3 information item – John Binkley Power point presentation showing future cruise ship numbers.

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

Motion passed with no objection.

IV. **Approval of January 25th, 2018 Regular Board and February 8th, 2018 Special Board Meeting Minutes.**

Hearing no objection, the January 25th, 2018 Regular Board and February 8th, 2018 Special Board Meeting Minutes were approved as presented.

V. Public Participation on Non-Agenda Items –

Mr. Uchtyl said he asked Mr. Duvernay, lease holder for the Auke Bay Loading Facility to come and address the Board because his lease is expiring in April of 2018.

Jeff Duvernay, Juneau, AK

He said he was asked to come and let the Board know his plans for the Boat Yard and what they have been up to. The building construction project was successful and the contractor did a great job. Presently he has 21 boats in the yard which far exceeds anything he was able to do in the past. With the covered boat area and the workshop, he said his company has been able to secure work through the winter enough to keep two employees working all winter long. He said he is interested in renewing his lease at Auke Bay and he put forth a plan of operation for the Port Directors review. He plans to keep operating five days a week and offer a complete service facility fully staffed eight hours a day.

VI. Special Order of Business

1. Alaska Clean Harbor Recognition

Mr. Uchtyl introduced Brett Farrell and Jenn Karnik from Alaska Clean Harbors which is their voluntary position. Their full time work is with Marine Exchange of Alaska. They were

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part of the team that reviewed the application from Docks & Harbors to achieve Alaska Clean Harbors certification. He showed a video that talks about clean harbors and the steps taken to reach certification.

Ms Karnik said she has been working closely with Matt Creswell to get the Clean Harbors best management practices engaged and implemented in Juneau. She said Juneau passed the application process with 90%. She congratulated Mr. Creswell and presented a plaque and a clean harbors flag for Juneau Harbors.

Mr. Farrell said to earn the clean harbors certification is a lot of work and now the work will be keeping the momentum going to keep the harbors clean. He said he appreciates all the work and hopes the rest of Juneau does.

Mr. Borg said when he was hired clean harbors was something the Port Director wanted to achieve. A year later Matt Creswell was hired and he took the application and worked to complete the certification. He said this would not have happened without Mr. Creswell's enthusiasm and hard work. The Harbors have improved greatly and they will just continue to get better.

Mr. Creswell said this was a perfect fit because he loves boats and the water and being around clean harbors. This was a lot of work but the real work will begin now that everything is in place and keeping people enthused about it and keep getting better. He said this certification has taken two years and he hopes to keep on improving and make the Harbors a better place to be.

Mr. Uchtyl said there was a lot more work for Juneau because staff needed to get signage and education and ability to manage waste for all four of our harbors.

2. Staff Recognition

Mr. Uchtyl awarded Mr. Creswell with employee of the quarter and his wife Leslie for all her support.

VII. Consent Agenda

1. ~~Tidelands Lease Rent Adjustment: Yankee Cove Development-ATS 1677~~
~~—Presentation by the Port Director~~

~~RECOMMENDATION: TO ADJUST THE ANNUAL MARKET RENT TO 12¢/SF FOR 36,786 SF AT YANKEE COVE TIDELANDS, RESULTING IN \$4,414.32/ YEAR LEASE.~~

2. Alaska State Trooper Vessel ENFORCER – Auke Bay Marine Station Moorage
Presentation by the Port Director

RECOMMENDATION: TO PROVIDE MOORAGE TO THE ALASKA STATE TROOPER VESSEL ENFORCER AT A RATE CONSISTENT WITH THE DOUGLAS, HARRIS AND AURORA HARBORS.

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

Motion Passed with no objection.

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VIII. Unfinished Business

1. FY19 & FY20 Budget

Mr. Uchytel said the proposed Harbor budget is on page 15 in the packet. At the last Board meeting there was a more detailed budget number review. This is the budget that will move forward to the Assembly. This year we take to the Assembly the current year projected actuals with personnel services down slightly, material & commodities, capital outlay, and support to Capital projects up higher than originally budgeted. The capital outlay increase is due to ordering new parking meters and the additional two hundred thousand added to Capital projects is for the Auke Bay Marine Station. In FY19 and FY20 budgets, personnel services will increase because positions will be filled and commodities and services will be close to the same as this year. The debt service is paying on two revenue bonds. He said looking at the funding sources, charges for services FY18 projected actuals will be down slightly, rentals will increase slightly, and the state shared revenue was \$389,000 for this year. With the good Chum season for Taku Smokeries we have the FY19 proposed budget increased and then back down in FY20. Fines & forfeitures is really an unknown and interest is what the finance department tells us what it will be. Harbors has 17.08 FTE's.

Board Questions

Mr. Eiler asked if there is a total of 29.09 FTE's between Docks & Harbors?

Mr. Uchytel said yes.

Mr. Eiler asked how many seasonal staff Docks & Harbors has?

Mr. Uchytel said currently we have 18 year around employees and 21 seasonal employees.

Mr. Uchytel said on Page 14 is the Docks budget overview. In FY18 the projected actuals for personnel services will increase slightly from what was budgeted, and FY19 and FY20 will increase due to inflation. FY18 Commodities and services, Capital Outlay and Support to Capital projects all will increase from what was originally budgeted. The Capital outlay is for a new parking meter downtown and the support to capital projects \$200,000 is for the CIP for the Archipelago property. Under funding sources, the \$11,000 is what Docks receives for collecting the Marine Passenger Fees on behalf of the City. Charges for Services projection is increased because of selling more water and having more cruise ship visits. Licenses, permits and fees increase is from selling the other two Vendor permits this year. Interest is provided from the Finance Department and the support from marine passenger fees is what Docks asks for every year.

Mr. Etheridge asked if personnel services will need to be increase due to the growth in cruise ship passengers.

Mr. Uchytel said we typically handle ships and with more ship calls we may need to look at that.

Mr. Borg said if the Coast Guard changes how Docks is required to do business, we may need more personnel.

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Public Comment - None
Board discussion/Action

MOTION By MR. ETHERIDGE: TO APPROVE THE DOCKS & HARBORS FY19 & FY20 BUDGET AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

IX. New Business - None

X. Items for Information/Discussion

1. Don D. Statter Harbor – Breakwater Covering Project

Mr. Gillette said the project has been completed and the contractor did a nice job. The grates were put on the open cells on the breakwater at the very far end and the end that meets up with the head walk and a transition bridge was also installed from the breakwater to the headwalk. The contractor for this project gave Docks & Harbors a good bid which ended up being less than what was anticipated and based on discussion with the contractor, they felt comfortable with the bid and the completed project. As a result, the overall cost to replace all the openings will be less than what was originally thought but it is still a substantial amount. On page 17 and 18 in the packet the deputy Port Engineer Mr. Schaal analyzed all the openings different sizes and shapes. Based on the bid received, he determined a per sq/ft cost of \$99.50 which would be roughly \$760,000 to cover the remaining openings. Currently in the CIP there is \$729,000 and FY19 there will be an additional \$333,000 to add to it so there would be enough to finish this project. At this point, it is too late to try to finish any more open cells until fall because of the time to get this out to bid and the time to get the materials which would put us in our busy season. This gives the Board a little more time to think about if it makes sense to put the money into this breakwater. There are also a lot of small projects this money could be used for. This may be a good time for the Board to have another strategic retreat to decide Docks & Harbors project priorities. The breakwater was a top priority at the last strategic retreat but is it still?

Board Discussion/Public Comment –

Mr. Donek asked when would be the next construction period and when would staff need to have a definite answer to move forward?

Mr. Gillette said we already have a design. PND would then put a packet together with how many and what cells we want to have completed. Based on Mr. Schaal's estimate to complete the cells, we will have enough funds to complete all the open cells. It will not be safe to have a contractor working when a vessel is tied to the breakwater so probably two to three months lead time to put a package together to get a bid out and get a contractor.

Mr. Donek asked by mid-summer?

Mr. Gillette said yes.

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Mr. Eiler suggested to send out the Boards project priority list from last May's strategic retreat. He would like to know more information on the Breakwater, when it was built, what is its useful life as an asset.

Mr. Janes said he would like to take a look at the other projects again to see if the money should be spent elsewhere. How does this fit into the timeline of other plausible projects.

Mr. Gillette said on his project status list, at the bottom there are a number of projects waiting funding.

Mr. Uchytel said with having the Strategic Retreat in May again, by that time the Aurora Harbor project will be completed and there is \$500,000 in contingency on that project. There is \$200,000 of Harbors funds in the Taku Harbor project, but we are hoping Fish & Game will fund. There was \$200,000 from the Statter Harbor Breakwater project moved to the Harris Harbor Restroom project and that bid came in under \$100,000. There may be some money come back, however, he would like to get Aurora Harbor Phase III completed. On Statter Harbor Phase III there will be a required match and he is going to pursue property in kind in lieu of funding for that match.

Mr. Etheridge said he would like to have rough dollar numbers on the projects waiting funding to see what the expense will be.

Mr. Gillette said some of the projects were added alternatives on actual bids so he has some dollar amounts, the other projects he can look at and try to come up with an actual range.

Mr. Lowell said he understands the breakwater is a safety concern, but it is an aging system and a lot of money. He would like to quantify what the utility of the float system for the future is. When was the last time the anchors were inspected? It may be smart to spend that money elsewhere.

Mr. Gillette said the anchor inspection has been a discussion and we have had through bolt issues in the past because of the movement.

Mr. Uchytel said another item on the list was underwater survey of our facilities which was approximately \$100,000. This was a good idea but didn't get pushed up the list. The Naval Academy that came here a few years ago, did a study to see how the breakwater could be recapitalized, but they did not figure the remaining service life of the breakwater.

Mr. Donek said he recommended to have that looked at before moving forward. Hire a dive service to inspect the breakwater. He said before we do a separate offsite like last May, he would like this brought back to the March OPS/Planning meeting and bring some of the answers to the questions from tonight's meeting. He also wanted the project priority list sent out again for the Board members to review and rethink.

2. FY2019 Moorage Rates – No Anchorage CPI Adjustment

Mr. Uchytel said he brought this to the OPS/Planning meeting. With the small CPI adjustment and the wording in regulation to round to the nearest \$.05, there will be no increase in moorage rates for the third year. Mr. Simpson asked if the Board had the authority to go back and raise

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rates off past accumulative CPI's. The Board does not have that authority based on our regulation. It could be reviewed and changed.

Board Discussion/Public Comment –

Mr. Donek said his concern is continuing on with no increase and then having to do a large increase. What would it take to change the regulation to include the language; irrespective of the annual increases once every five years do an accumulative adjustment.

Mr. Uchytel said the Board could make a motion and staff would advertise for 21 days, bring it back to the Board for public hearing and take it to the Assembly where it can be approved or disapproved. He said if we wanted rates adjusted more frequently to just strike out “rounded to the nearest five cents”.

Mr. Donek said raising rates by a penny seems like a hassle. A five year accumulative would make more senses.

Mr. Janes said a five year assessment is a great idea.

Mr. Lowell said if Docks & Harbors is experiencing more costs, do we have to wait five years or be more nimble and recoup the expense as quickly as possible.

Mr. Donek said currently, the CPI is low enough that our fees have not raised because of the rounding to the nearest nickel. When the CPI has been low, accumulate them over five years and have language that says after five years use an accumulated CPI adjustments and round to the nearest five cents.

Mr. Etheridge asked what the cost is each year to adjust the moorage rate?

Mr. Uchytel said nothing. It is adjusted by the Administrative staff in a computer spreadsheet.

Mr. Etheridge said increasing the moorage rates by one or two cents would have less kick back than waiting five years and raising it by ten cents or more.

Mr. Donek asked Mr. Uchytel to bring back to the next OPS/Planning meeting a suggestion to fix this regulation.

Mr. Ridgway asked if the new program enacted for work orders help get an idea over time what it costs to manage the leases and the rates?

Mr. Uchytel said Lucity is the asset management program that will tell us how much time and resources we are spending, but he was talking about FSM which is our billing system.

3. Cruise Ship Future Outlook –

Mr. Uchytel showed a cruise ship presentation that was presented by John Binkley at the Southeast Conference. The cruise industry is strong with a bright future and there will be a lot more people in 2019 and regional planning is important.

Mr. Janes said he believes Docks & Harbors should be more involved with cruise ship port calls to try to spread more ships out throughout the week. There should be a growth committee formed consisting of industry stakeholders, public, regulators, and Docks & Harbors representative.

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XI. Committee and Member Reports

1. Operations/Planning Committee Meeting- Wednesday January 18th, 2018
Mr. Donek said the Committee discussed the land management policy and received public comment, Statter Harbor Breakwater coverings, and the State Troopers Boat the Enforcer.
2. Member Reports - None
3. Assembly Lands Committee Liaison Report- Mr. Eiler said the Lands Committee has been busy. They are engaged in the process of vetting and considering options for repurposing the Cornerstone Youth Facility.
4. Auke Bay Steering Committee Liaison Report- Mr. Janes said he was at a meeting and the Planning Department is looking at zoning in Auke Bay. He recommends following this closely because the Auke Bay Marine Station is not listed on their map as a Commercial Use area.

XII. Port Engineer's Report – was not in the packet but a separate handout.

Mr. Gillette reported;

- Aurora Harbor Phase II – The contractor put in five more piles today with eight to go. They will then start moving the last shelters into place on to G float and will need to shuffle about seven shelters. The water and electrical contractors are working and on schedule. The whole project is approximately one week behind and the contractor has been asked to address how they are going to make up that time. Generally the project is going well.
- Statter Harbor Phase III – The Corps of Engineers Incidental Harassment Authorization and the eagle permit have all been submitted. Staff is waiting to receive the 65% design on the retaining wall for the blasting and dredging portion of the project which should be received early March.
- Archipelago Property Improvements – A design RFP is being advertised and due March 6th. Once the proposals are received a selection committee will evaluate them. He invited any Board members to let him know if they want to be on the committee.
- Harris Harbor Restrooms & Showers – The bid was awarded to Island Contractors and it came in under the Engineers estimate.
- Marine Park Cathodic Protection – The bid was awarded to Island Contractors.
- Visitor Information Kiosk – Jensen Yorba Lott was the selected term contractor through CBJ Engineering Department. Staff and the Architects met with Travel Juneau to identify what their needs and wishes are for the Kiosk replacement. We should have preliminary sketches next week.

XIII. Harbormaster's Report –

Mr. Borg reported;

- The Anchoring regulation went into effect on February 20th.
- February 21st he hung paperwork on the vessel the Lumberman stating the owner needed to come register his vessel and that has not been done yet.
- The vessel the Ellen C which is tied alongside the Lumberman also had paperwork hung on it. This vessel has a standing impound in the Harbor and tied up alongside the

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Lumberman to be out of the impound zone but now with this new regulation it can be impounded again.

- The vessel the Sea Tonic II at Statter Harbor was pulled out of the water last Monday by Willies Marine because it was taking on water and is currently sitting where the old boat yard was. This vessel is now impounded and the owner is unresponsive.
- Several weeks ago all the internal heat trace was lost on A through D float in the new section of Aurora Harbor. Staff came up with a long term fix by removing the internal heat trace and installing external hear trace and it is working well.
- There are four different employee positions being advertised currently. Three seasonal administrative positions, four seasonal Harbor Technician positions, two Harbor Officer positions, and one full time Harbor Operations Manager position. Mr. Hinton's position has changed from the Senior Harbor Officer to Port Operations Manager, and Mr. Creswell's position has changed to a Deputy Harbormaster.

Mr. Eiler asked if the Un-cruise smaller cruise ships were going to be arriving mid-April this year?

Mr. Uchytel said Dan Blanchard has been developing a moniker called "Alaska Awakenings" saying April is the new May and trying to get other operators to start their cruise season earlier. He is going to have a big roll out party April 14th.

Mr. Eiler asked if Docks & Harbors is still turning small cruise ships away or meeting the demand?

Mr. Borg said with the ability to use the inside of the CT and the PFO float we have been able to meet the majority of the needs with the exception of vessels in the 300' range.

Mr. Uchytel said American Cruise Lines 270' Constellation is too large for the IVF, PFO or inside of the CT float. They found space at the Gitkov dock.

XIV. Port Director's Report

Mr. Uchytel reported;

He will be going to D.C. to advocate for the Coast Guards FRC's coming to Juneau. He will meet with the Corps of Engineers about the wave attenuator at the Auke Bay Marine Station. He will also have discussions with NOAA to make a pitch for the NOAA research vessels to come to Juneau in 2024.

XV. Assembly Liaison Report – None

XVI. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday March 21st, 2018 at 5:00pm
- b. Board Meeting – Thursday, March 29th, 2018 at 5:00pm

XVII. Adjournment – The regular Board Meeting adjourned at 6:38 pm.