

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING AGENDA
For Thursday, February 18th, 2016

- I. Call to Order** (5:00 p.m. in the CBJ Assembly Chambers)
- II. Roll Call** (Tom Donek, Weston Eiler, Tim Mosher, Tom Zaruba, and David Lowell)
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED

- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)
- V. Approval of January 21st, 2016 Finance Committee Meeting Minutes**
- VI. Consent Agenda** - None
- VII. Unfinished Business** - None
- VIII. New Business**

- 1. FY17-18 Budget
Presentation by the Port Director

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

- 2. Auke Bay Loading Facility Minor Maintenance
Presentation by the Harbormaster

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

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3. Enforcement Regulation for User Fee Collection
Presentation by the Harbormaster

Committee Questions

Public Comment

Committee Discussion/Action

MOTION: TO BE DETERMINED AT THE MEETING

IX. Items for Information/Discussion

1. Marine Power Cord Safety Replacement Program
Presentation by the Harbormaster

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Finance Committee Meeting- **Thursday, March 24th, 2016.**

XII. Adjournment

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- I. Call to Order** Mr. David Lowell called to order the Finance Committee Meeting at 5:03 p.m. in the CBJ Assembly Chambers
- II. Roll Call** Members Present: Tom Donek, Tim Mosher, and David Lowell. Weston Eiler arrived slightly late.
Also Present: Carl Uchytel-Port Director via phone; David Borg-Harbormaster; Gary Gillette-Port Engineer; Bob Bartholomew – CBJ Finance Director
- III. Approval of Agenda**
Mr. Gary Gillette requested to amend agenda and move new business item #4 to #1; #5 to #2; then follow with the rest.
MOTION: BY MR. LOWELL TO APPROVE THE AGENDA AS AMENDED AND ASKED UNANIMOUS CONSENT.
Motion passed with no objection
- IV. Public Participation on Non-Agenda Items** – None.
- V. Approval of December 3rd, 2015 Finance Committee Meeting Minutes**
MOTION: BY MR. TOM DONEK TO APPROVE THE DECEMBER 3, 2015 FINANCE COMMITTEE MEETING MINUTES AND ASKED FOR UNANIMOUS CONSENT.
Motion passed with no objection
- VI. Consent Agenda** - None
- VII. Unfinished Business** - None
- VIII. New Business**

4. Appropriation Ordinance – Cruise Ship Berths Improvement Project

Presentation by the Port Engineer & CBJ Finance Director

Mr. Gillette stated in the packet there is a memo for the appropriation ordinance. We are proposing to move \$2.5M from Port Development and \$1.5M from Docks Fund for a total of \$4M to the Cruise Ship Berth Project. In 2012 or 2013 when the assembly approved the budget there was an issue with DNR lands transfer that the fish memorial was objecting to and that has been resolved. We are now coming back to get these funds on to the project. We need these additional funds and it will include a 10% contingency amount. There are usually additional expenses for construction administrative & inspections. We are still \$2.3M short that we may or may not need based on contingencies but we can gage financial progress as we go through each phase.

Mr. Bartholomew stated we currently have \$69.7M in the funding for this project and the total estimated amount needed for completion is \$76M. We have about a \$7M need and that need has

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been known for several years. We had a plan to increase the sale of additional revenue bonds but we are now waiting to see if we can find additional funds elsewhere. The \$4M that we are requesting for the Appropriation Ordinance will help cover the \$7M need.

Committee Questions

Mr. Donek asked since we are still \$3.2M short where would that come from.

Mr. Bartholomew answered through additional revenue bonds or we could look at Dock Funds, State Marine Passenger Fee Funds, City Marine Passenger Funds, or Port Development Fee Funds. We would probably use revenue bonds.

Public Comment - None

Committee Discussion/Action

MOTION: BY MR. TIM MOSHER THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE TRANSFERING \$1.5M FROM THE DOCKS FUND BALANCE AND \$2.5M OF PORT DEVELOPMENT FEES FOR THE CRUISE SHIP BERTHS IMPROVEMENT PROJECT.

Motion passed with no objection

5. Loading Zone Permit Proposed Changes under 05 CBJAC 15.080

Presentation by the Harbormaster

Mr. Borg stated this item was discussed at a public meeting at the valley library last night regarding the proposed bus loading zone at Auke Bay. We were given some great input from the public so this should return to the committee for further discussion and action. I see a lot of the same public here tonight as well.

Committee Questions - None

Public Comment

Bob Janes, Board Member but speaking as public & owner of Gastineau Guiding, Juneau, AK
Mr. Janes stated he was at last night's meeting and we discussed ideas of per person fees & potential increases. We concluded it is too late in the year to incur any big changes. We talked about slight increase this year and the overall process seems to be working at this time. Since 2004 loading zone fees have not been increased but we, as a board, need to create a future process of reasonable increases.

Committee Discussion/Action

Mr. Donek stated that is why we created the fee review committees to catch up fees that have not been addressed.

Mr. Lowell stated he agrees to not make any big changes for this season.

Mr. Mosher asked who suggests fee changes. Is it staff or the board.

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Mr. Donek answered the fee review committee works on that and we could look at possible CPI increases like the moorage.

MOTION: NONE

1. Statter Harbor Master Plan Update

Presentation by the Port Engineer

Mr. Gillette stated he wanted to give an update of the Phase III Statter Harbor Master Plan. We had a public meeting on January 13, 2016. We are using PND for design engineering, Corvis for Landscape engineering, and Haight Electrical for this project. The whole project purpose is to reduce congestion, improve safety and efficiency, expand moorage, expand parking, facilitate future boatyard operations, and improve bus operations. The goal is to improve the overall Statter Harbor experience. Mr. Gillette presented plans for review attached to the agenda to show the picture of the completed project. Phase I was completed in 2014 and Phase II will be done in August 2016. What we are discussing tonight will be bus area. Buses for tour groups have gotten a lot larger over the years so we need to create a more efficient drive through for drop off and pick up. We can either have the bus staging area an angle parking spots where they will need to pull in & back out of parking spot or have pull through parking spots to avoid the backing up. An idea to consider for the Phase III structure would have public bathrooms, provide a covered area, and consider a second floor for possible retail or restaurant space.

Committee Questions

Mr. Eiler asked what the plan is for future development near the wall.

Mr. Gillette answered we may need to provide space for a larger fuel tank for the fuel dock and will need to keep it a utilitarian area.

Public Comment - None

Committee Discussion/Action

MOTION: BY MR. TOM DONEK THAT THE BOARD APPROVE THE SUBMITTED STATTER HARBOR MASTER PLAN AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection

2. Appropriation Ordinance – Douglas Harbor – ADOT Municipal Harbor Grant

Presentation by the Port Engineer

Mr. Gillette stated in 2008 the ADOT Municipal Grant awarded us a grant for \$2M for Douglas Harbor. We got in to some permitting issues and it took 7 years and \$1M to resolve. We are now moving forward with the Old Douglas Harbor re-build. We have three phases which is demolition, dredging which the Core of Engineers paid for, and the construction. We need to have the Assembly approve the appropriation for the funds from the grant to be accepted for the project.

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Committee Questions

Mr. Lowell asked why there was such a long delay to get the appropriation for the grant.

Mr. Gillette answered we were not sure we would get the permits and we can't get a grant contract until we bid the project. They held on to it for us but there was a deadline and we just made it in order to use this grant.

Public Comment - None

Committee Discussion/Action - None

MOTION: BY MR. TIM MOSHER THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE ACCEPTING THE ADOT MUNICIPAL HARBOR GRANT IN THE AMOUNT OF \$2,044,230 AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection

3. Appropriation Ordinance – Douglas Harbor – Transfer of \$1.3M from Harbor Fund Balance to CIP

Presentation by the Port Engineer

Mr. Gillette presented a memo for the Old Douglas Harbor Phase III funding. The project is out to bid and we have a final cost estimate. He stated the funding for the project is going to require the Assembly to approve an appropriation ordinance to move \$1.3M of harbor fund balance to CIP to use towards the Phase III funding. We also have two additive alternates to consider. One is the retaining wall and expanded parking or add a second approach dock for an additional ramp. Or we could just go with the base bid and not choose either. In previous board meeting, the desired project the board has chosen is additive alternate A which is the retaining wall with expanded parking. The board approved the budget for that. Once the project is awarded we will clarify the alternate additive. We will need to get finance committee approval then the full board to forward this appropriation to the assembly.

Committee Questions - None

Public Comment – None

Committee Discussion/Action - None

MOTION: BY MR. TIM MOSHER THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE TRANSFERRING \$1.3M FROM THE HARBOR FUND BALANCE TO THE DOUGLAS HARBOR PHASE III PROJECT AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection

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IX. Items for Information/Discussion

1. RFP – Land Use & Strategic Financial Planning For Downtown Harbor Facilities

Presentation by Port Engineer

Mr. Gillette stated the RFPs are due January 26, 2016 to start the master plan for the area from Norway point south to the bridge. Mr. Gillette requested if any of the board members are interested in being on the selection committee this will be brought up at the full board meeting for volunteers.

Committee Discussion/Public Comment - None

2. Notice of Intended Sale of Boathouse

Presentation by Harbormaster

Mr. Borg stated we were notified of the three boat shelters are up for sale and the harbor department has the right of first refusal to buy at fair market value. The shelters for sale are Aurora G-020; G-021; & E-032. If we do not purchase they will be allowed to sell.

Committee Discussion/Questions

Mr. Lowell asked what the fair market value is.

Mr. Borg said he is not aware of the appraised value. He believes the full shelter is \$70,000 for both sides of G.

Mr. Donek stated the sign on E-032 is for sale at \$35,000 and the assessed value is listed at about those amounts for the shelters.

Mr. Eiler asked how often do those boat shelters sell.

Miss Raster answered it does varies although recently several are for sale or have sold.

Mr. Lowell asked to clarify first right of refusal.

Mr. Borg answered it is in our regulations to offer it for Docks & Harbors first in case we decide to ever buy them out in the future. At this time we are not interested.

Public Comment - None

X. Staff & Member Reports - None

XI. Committee Administrative Matters

1. Next Finance Committee Meeting- Thursday, February 18th, 2016.

XII. Adjournment

The Finance Committee meeting adjourned at 5:49pm.

**Dock
OVERVIEW**

	FY15 Actuals	FY16 Amended Budget	FY16 Projected Actuals	FY17 Proposed Budget	FY18 Proposed Budget
EXPENSES:					
Personnel Services	\$ 678,500	768,500	762,600	778,500	787,800
Commodities and Services	535,700	658,300	642,700	640,800	645,300
Capital Outlay	24,400	10,000	10,000	10,000	10,000
Total Expenses	1,238,600	1,436,800	1,415,300	1,429,300	1,443,100
FUNDING SOURCES:					
Interdepartmental Charges	11,000	11,000	11,000	11,000	11,000
Charges for Services	1,074,800	1,060,000	1,019,000	1,075,000	1,075,000
Licenses, Permits and Fees	413,900	500,000	385,000	400,000	400,000
Interest	40,500	22,900	55,900	75,900	75,900
Support from Marine Passenger Fee	287,600	317,600	317,600	287,600	287,600
Equity From (To) From Fund Balance	(590,200)	(474,700)	(373,200)	(420,200)	(406,400)
Total Funding Sources	\$ 1,238,600	1,436,800	1,415,300	1,429,300	1,443,100
STAFFING	10.76	10.76	10.76	10.76	10.76
FUND BALANCE	\$ 3,426,900	3,901,600	3,800,100	4,220,300	4,206,500

Harbors OVERVIEW

		FY16		FY17	FY18
	FY15 Actuals	Amended Budget	Projected Actuals	Proposed Budget	Proposed Budget
EXPENSES:					
Personnel Services	\$ 1,635,300	1,687,300	1,722,300	1,736,200	1,760,200
Commodities and Services	1,167,500	1,154,100	1,150,100	1,158,300	1,158,400
Capital Outlay	23,100	10,000	-	10,000	10,000
Debt Service	809,900	747,200	637,500	718,400	718,400
Support to Capital Projects	800,000	-	-	-	-
Total Expenses	4,435,800	3,598,600	3,509,900	3,622,900	3,647,000
FUNDING SOURCES:					
Charges for Services	2,806,600	2,800,000	2,660,000	2,780,000	2,860,000
Rentals	1,214,800	800,000	850,000	850,000	850,000
State Shared Revenue	395,000	350,000	364,600	357,000	364,000
Fines and Forfeitures	21,100	10,000	20,000	20,000	20,000
Interest Income	28,800	30,400	30,100	40,900	40,900
Equity From (To) Fund Balance	(30,500)	(391,800)	(414,800)	(425,000)	(487,900)
Total Funding Sources	\$ 4,435,800	3,598,600	3,509,900	3,622,900	3,647,000
STAFFING	17.67	17.67	17.67	17.67	17.67
FUND BALANCE RESERVE	\$ 743,200	743,200	743,200	743,200	743,200
AVAILABLE FUND BALANCE	\$ 2,341,100	2,732,900	2,755,900	3,180,900	3,243,800
DEBT REVENUE RATIO	=>120%	=>120%	=>120%	=>120%	=>120%
(NOT) Meeting Debt/Rev Ratio	691,620	252,360	287,300	291,320	354,220

Auke Bay Loading Facility Work Zone

Purpose: To make available an area for commercial launch ramp permit holders to haul out boats for minor maintenance and/or inspection.

Discussion: It has been raised that with the transfer of the boat yard facility to a private entity the use of the ABLF for routine maintenance no longer exists but is still needed by commercial users on an as needed basis. The request by commercial users is to create a space designated for vessels to be hauled from the water via appropriate trailer for light maintenance and inspection.

Action: An area has been identified and marked off at the top of the launch ramp along the southern property line. This area is to be used by reservation only through the Statter Harbor Office. The fee will be \$25.00 per use, no more than 3 hours per vessel.

Permissible Use: The following maintenance will be authorized in the designated space:

- Oil Change
- Lower unit fluid change
- Zinc/Anode replacement
- Propeller/Lower Unit replacement

Owner/Operator Requirements: Users will be required to place a protective tarp over the work area and have on hand a supply of sorbent pads to keep liquids from the paved surface. Users will be required to remove any and all fluids, zincs, anodes and trash from the area and dispose/recycle in the appropriate container.

ABSOLUTELY NO BOTTOM CLEANING, PRESSURE WASHING OR PAINTING WILL BE AUTHORIZED IN THIS AREA. Any work of this nature must be coordinated with Harri's Commercial Marine.

PFH Late Submission of Reports and Payment

At the beginning of each season the PFH companies receive a packet (postal mail and email) with the following information:

- PFH application forms
- Blank daily and monthly reports
- Loading Zone Application for Buses (if applicable)
- Letter informing patrons what is required for them to use the harbors for PFH business

In the letter it states: The Passenger-for-hire Monthly Passenger Report and Payment Submittal Form, Commercial Use Permit Monthly Log spreadsheet, and payment are due within 30 days of the end of each month.

Harbor Staff send emails and postal mail to PFH companies each month with letters informing them when they are late in submitting their reports and payment. Staff also speaks with PFH company's staff over the phone and in person reminding them to submit their PFH reports and payment. In extreme cases staff has sent certified mail and tagged boats for late reports and payment.

Breakdown of Late Submission of Reports and Payment by Company for 2014 & 2015 (6 pack companies did not submit PFH monthly reports in 2014):

On average, there are 20 Passenger-for-Hire companies each season. During 2014 & 2015, 9 companies submitted late passenger reports and payment. One company ("Nine") still has not paid for any of 2015.

Company: **"One"**

Late Submission of the following Monthly Report(s) & Payment:

- Aug 2014

Paid:

- 2 months late
-

Company: **"Two"**

Late Submission of the following Monthly Report(s) & Payment:

- May 2014
- Aug 2014
- Sept 2014
- Oct 2014
- Nov 2014
- Dec 2014
- Jan 2015
- May 2015
- June 2015
- July 2015
- Aug 2015
- Sept 2015

Paid:

- Up to 6 months late
-

Company: **“Three”**

Late Submission of the following Monthly Report(s) & Payment:

- July 2014
- Aug 2014
- Sept 2014
- May 2015
- June 2015
- July 2015
- Aug 2015
- Sept 2015

Paid:

- Up to 7 months late
-

Company: **“Four”**

Late Submission of the following Monthly Report(s) & Payment:

- May 2015
- June 2015
- July 2015
- Aug 2015

Paid:

- Up to 5 months late
-

Company: **“Five”**

Late Submission of the following Monthly Report(s) & Payment:

- May 2015
- Aug 2015
- Sept 2015

Paid:

- Up to 5 months late
-

Company: **“Six”**

Late Submission of the following Monthly Report(s) & Payment:

- May 2015

Paid:

- 2 months late
-

Company: “**Seven**”

Late Submission of the following Monthly Report(s) & Payment:

- May 2015

Paid:

- 1 month late
-

Company: “**Eight**”

Late Submission of the following Monthly Report(s) & Payment:

- May 2015
- July 2015

Paid:

- Up to 2 months late
-

Company: “**Nine**”

Late Submission of the following Monthly Report(s) & Payment:

- All reports have been late

Paid:

- Seasons Behind
-



2015
Passenger for Hire Monthly Passenger Report
And Payment Submittal Form

05 CBJAC 15.030(h) Dockage Charge and 05 CBJAC 20.080 Passenger for hire fee defines the fee assessed to a person conducting passenger-for-hire activities at the Intermediate Vessel Float, Marine Park Lightering Float, Douglas Boat Harbor, Harris Harbor, Harris Harbor Launch Ramp, Aurora Boat Harbor, Statter Boat Harbor or Statter Harbor Launch Ramp.

Persons conducting passenger-for-hire activities are required to submit this passenger report and pay the assessed fees on a monthly basis. This report and payment must be made to the City and Borough of Juneau within thirty (30) days following the previous month's passenger-for-hire activities. The report and payment is to be sent to the CBJ Port Office, 155 S. Seward St., Juneau, AK 99801.

Permit Sticker Number: _____ For month of: _____, 2015

Docks and Harbors Fees:

- | | | | |
|--|--------------------------|-------|-------|
| 1. Inspected Vessel (with annual permit) \$1.25 per passenger per day, per month | = \$ | _____ | |
| 2. Subtotal | = \$ | _____ | |
| 3. CBJ Sales Tax (5%) | Subtotal X 0.05 | = \$ | _____ |
| 4. Total Amount Due | Subtotal + CBJ Sales Tax | = \$ | _____ |

Business Name: _____ Signature: _____

Passenger for Hire non-reporting and non-payment penalties

The City and Borough of Juneau Docks and Harbors, under the authority of 05 CBJAC 20.80, issues a Passenger-for-Hire Permit for the use of designated areas at Douglas Boat Harbor, Harris Harbor, Aurora Boat Harbor, Statter Boat Harbor, Intermediate Vessel Float, or the Marine Park Lightering Float.

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

(1) Calendar year 2015 permit: \$300.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$400.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$500.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.

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

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

(1) Calendar year 2015 permit: \$50.00 per vessel plus \$1.00 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2016 permit: \$100.00 per vessel plus \$1.25 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity. Calendar year 2017 permit: \$150.00 per vessel plus \$1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(2) Each calendar year after 2017, a fee equal to the previous year's fee adjusted by the Anchorage Consumer Price Index (CPI) as reported by the Alaska Department of Labor for the calendar year preceding the start of the moorage year, rounded to the nearest \$1.00 for the vessel permit and nearest \$0.10 per passenger, unless the docks and harbors board takes action to keep the fee the same as the previous year.

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

Staff Recommends adding the below to regulation –

Passenger-for-hire reporting & payment - Monthly Passenger reporting forms, and payment in full must be submitted to Docks & Harbors within 30 days of the end of each month.

Failure to comply will result in immediate permit suspension. The permit will not be reinstated until all required forms and payment are submitted to Docks & Harbors along with an administrative reinstatement fee of \$100 per vessel.

Multiple instances (3+) of non-compliance in a single season may render a company ineligible to receive a Passenger-for-Hire permit for the following season.

Marine Power Cord Safety Replacement Program

Problem Statement: Docks and Harbors received a complaint about our electrical service that was sent directly to the State Office of Labor Safety Branch also known as AKOSHA. We requested AKOSHA come do a work place site visit. AKOSHA visited Aurora Harbor Office, workshop, annex and Harbor. They additionally inspected the Port Field Office, the ABLF, Statter Harbor workshop and Harbor.

One of the glaring issues throughout the harbor system was the large number of inadequate power cords going from the power pedestals to vessels and boat shelters. Many are deteriorated, have unauthorized repairs, plug adaptors, improperly pass through shelter bulkheads/walls or are under rated. These improper cords present a hazard for harbor patrons as well as our employees.

Initiative: I am proposing that we do a one-time, cost sharing power cord buy back. It will apply to patrons that we have identified as having un-authorized or non-serviceable cords. This will apply to vessels that use 20/30amp 120v cords. We will purchase 50 cords and hold them at the Aurora office. Patrons can bring us their old shore power cords and we will replace them with a cost sharing of 50/50.

Cost: We have identified a vendor down south and estimate the cost minus shipping to be a \$5000.00 investment.

Understanding that this will not solve all the problems we currently have I think it shows a good effort on Docks and Harbors part to share in the replacement of potential safety hazards.