

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Thursday, July 23rd, 2015

I. Call to Order The Finance Meeting Minutes was called to order at 5:21 p.m. in City Hall Room 224

II. Roll Call The following Finance Committee members were present Tom Donek, Mike Peterson, David Summers, and Tom Zaruba
Also present: Carl Uchytel – Port Director; Dave Borg – Harbormaster; Bob Janes – Harbor Board Member; Jeff Duvernay – President, Harri's Plumbing & Heating, Inc. and Juneau Marine Services.

III. Approval of Agenda

Mr. Uchytel asked to amend the agenda by adding the Douglas Harbor Rebuild to the items for information.

MOTION: BY MR. MIKE PETERSON TO APPROVE THE AGENDA AS AMENDED

Motion passed with no objection

IV. Public Participation on Non-Agenda Items - None

V. Approval of June 18th, 2015 Finance Committee Meeting Minutes

MOTION: BY MR. TOM DONEK TO APPROVE THE JUNE 18, 2015 MEETING MINUTES AS PRESENTED

Motion passed with no objection

VI. Consent Agenda

A. Public Requests for Consent Agenda Changes

B. Committee Member Requests for Consent Agenda Changes

Mr. Mike Peterson requested to move item #1 on the Consent Agenda for discussion.

C. Items for Action

1. AEL&P Power Pole Relocation Contract
Presentation by Port Director

RECOMMENDATION: To approve a sole source contract with AEL&P for \$133,488.37 to relocate a power pole necessary as part of the Statter Harbor Launch Ramp facility and forward to the full Board for their approval.

VII. Unfinished Business

1. AEL&P Power Pole Relocation Contract
Presentation by Port Director

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Mr. Uchytel stated there is a power pole in the Horton lot at Auke Bay Harbor that we are requesting to relocate across the street in order to complete the new Statter Harbor Launch Ramp. AEL&P is the sole source that can move this therefore, the price is what AEL&P has proposed.

Committee Questions -

Mr. Zaruba asked if this is a fair price and are we requesting the move.

Mr. Uchytel answered the price is the price since AEL&P is the only company that can move it. Docks & Harbors is requesting the move to provide better access for the new parking lot.

Mr. Summers stated that seems like a high price and he asked if this is an additional cost or was it in the budget.

Mr. Uchytel said it was in the budget but he did not recall the exact amount in the budget. Since it is over \$100,000 then Docks & Harbors is required to get assembly approval.

Mr. Peterson asked if there is an engineer's estimate on the cost for relocating poles.

Mr. Uchytel answered the project amount is \$11.7 million and there is a separate amount for contingency costs and this AEL&P cost is under that.

Public Comment –

Dennis Watson – Juneau, AK

Mr. Watson asked which power pole is going to moved?

Mr. Uchytel answered the one being moved is the one in the way currently located in the Horton lot that is blocking the proposed new driveway.

Committee Discussion –

Mr. Donek stated this came up over a year ago in the project design and we had this in the budget to move the electric pole.

Mr. Uchytel said he does not recall the exact amount in the budget. This is the price per AEL&P and it will come from contingency budget.

MOTION: BY MR. TOM DONEK TO RECOMMEND TO THE FULL BOARD TO APPROVE THE SOLE SOURCE CONTRACT WITH AEL&P FOR \$133,488.37 TO RELOCATE A POWER POLE NECESSARY AS PART OF THE STATTER HARBOR LAUNCH RAMP FACILITY AND FORWARD AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection

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2. Proposed Regulation Change – 05 CBJAC 20.060 - Recreational boat launch fees

Presentation by Port Director

Mr. Uchtyl presented a draft of the recommended changes for the boat launch permit regulations. We want to clarify the fees and the rules for purchasing launch ramp permits. We are recommending that patrons be required to provide the DMV registrations for multiple trailers to prove ownership. After patrons acquire one full price permit then for an administrative fee of \$5.00 per additional sticker for the 2nd & 3rd permit. If there is a fourth trailer that would require full payment then the patron can acquire the 5th & 6th permits for an administrative fee of \$5.00 per additional sticker. The 7th trailer and above would require full payment.

Committee Questions -

Mr. Zaruba stated we should add to require the trailer DMV registration for single trailer purchase. He also stated he does not support raising the launch ramp fee without a cost benefit analysis.

Mr. Bob Janes asked if we need to have it in the regulations for more than 6 trailers.

Mr. Uchtyl answered we want to have it state more than six would be full price each.

Public Comment - None

Committee Discussion/Action –

Mr. Tom Donek said to have additional permit fee and the lost permit fee to be the same at \$5.00. We should also add that patrons are required to provide the trailer plate numbers for all permits.

Mr. Summers stated he agrees to require a plate number and registration for single permits. He said he would like to see additional permits at a \$50 fee instead of \$5.

Mr. Donek stated we did discuss having a higher fee for the additional permits and we received a lot of public feedback stating most patrons are not using the multiple trailers at the same time.

Mr. Zaruba stated he sees the Docks side as revenue producing and the Harbors department is more of a public service. Until we can prove why we are raising the fee it should stay at \$90.00.

Mr. Janes answered that we discussed in length at the Ops-Planning meeting about a small increase was reasonable since it has been a long time since fees has been raised and the cost of doing business has increased.

Mr. Borg stated the increase cost of trash removal alone supports a raise in the fee.

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Mr. Summers stated he would like to see fees raised so we can increase services and create better facilities.

Mr. Donek stated it was researched that to keep up with inflation the rate should be \$103.00.

Mr. Peterson said we should keep the rate a \$90.00 and we should offer free parking across the board. Mr. Peterson stated staff does not know how much we receive in parking.

Mr. Uchytel answered we do know the exact figure of parking revenue. We get a total \$90,000 per year in parking fees. About \$60,000 from Auke Bay and \$30,000 from downtown.

Mr. Donek stated when it came to kayaks there are a number of places to launch for free but if a user is on the ramp then they should pay too.

MOTION: By Mr. Tom Zaruba To approve recommended regulation changes as amended with the fee to remain at \$90.00, to add the requirement to provide DMV registration for single use purchase, and over six trailers pays full fee under 05 CBJAC 20.060 - Recreational boat launch fees and forward to the full Board for their consideration.

Motion passed with no objection

VIII. New Business

1. Auke Bay Boatyard Relocation Memorandum of Agreement

Presentation by Port Director

Mr. Uchytel stated we have been talking about best and highest use of the Auke Bay Boatyard and relocating it to the Auke Bay Loading Facility. In March we received a conditional use permit to allow the boatyard to move to the ABLF. We have a storm water pollution plan in place and we are waiting for DEC to issue a permit. Mr. Jeff Duvernay, owner of Juneau Marine Services, is willing to move to ABLF. We have a current lease that we can leave the same with the exception of the location. There would be an amendment requiring approval by the Assembly.

Committee Questions

Mr. Zaruba asked if there is DEC or EPA liability?

Mr. Uchytel answered that we already operate the wash down pad and run off is treated with a system which can use the sewer system.

Mr. Borg stated Docks & Harbors is on the permit for any liability.

Mr. Peterson asked who owns the Auke Bay Travel Lift.

Mr. Uchytel answered Docks & Harbors.

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Mr. Peterson asked who trained the Docks & Harbors staff on the SeaLift at the ABLF.

Mr. Uchytel answered the manufacturer sent a representative to train the staff. We would get rid of the Travel Lift and turn over the ABLF SeaLift to Juneau marine services as part of the new lease.

Mr. Zaruba asked if there is an assessed value of the land at Auke Bay.

Mr. Uchytel answered the city did not do an assessment since it is owned by Docks & Harbors and it is a fairly new facility. We have a term contract with Horan & Co to do an appraisal every five years to determine the lease rent.

Public Comment

Mr. Jeff Duvernay, owner of Juneau Marine Services, stated he agrees that it does not make sense to have two different boatyards that there should just be one at the ABLF. There are some limitations with the SeaLift that will not let us haul some types of boats. The only change he requested for the new lease agreement was the wash down pad. He prefers to have the one sole user not sharing it due to trying to coordinate scheduling as well as if it gets broken - no one knows who did it. Once they take over they will become in charge of all pollution and can only accept that liability if there are no other users that would have access to the equipment which would be out of their control if something went wrong.

Mr. Bud Morris, Auke Bay, AK

Mr. Morris stated he has enjoyed working with Docks & Harbors office to use the ABLF facility and he did not know why it was changing.

Mr. Uchytel answered we have a contract with a commercial enterprise and we should not be competing. It is best to allow private enterprise to provide the services of a boatyard in just one location at Auke Bay.

Committee Discussion/Action

Mr. Janes stated this was Docks & Harbors idea that approached Juneau Marine Services to relocate to the ABLF. As a user of the ABLF he would hope Gastineau Guiding can still use the ramp and wash down service for a reasonable fee.

Mr. Peterson asked who would do the training?

Mr. Duvernay said he would require factory representative training and an equipment assessment. He would like maintenance requirements incorporated in to the lease.

Mr. Zaruba asked if the lease rent includes the equipment and are we planning on adding that in.

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Mr. Uchytel answered we do not include equipment value in our leases, we only use the raw unimproved value of the land and the equipment is included. The Harbor Board and the Assembly have to approve the lease rent amount. All of our tideland leases are only based on appraised value of the raw land and calculated at about 8-10%.

Mr. Janes stated that we are trying to provide a business the opportunity to offer a service to the community so that is why we do not include the equipment in the lease rent.

Mr. Donek stated he was on the board when we received the grant money to purchase the SeaLift and we do not want to be in competition with private enterprise. Hauling boats is not what the Docks & Harbor staff is supposed to be doing.

Mr. Peterson asked who would be insuring the equipment.

Mr. Uchytel answered Docks & Harbors provides an itemized list of all of our assets to adjusters.

Mr. Duvernay stated he would have coverage on any equipment he operates as well so it would be double covered.

Mr. Janes asked what the lease expiration date is and is there an option to renew.

Mr. Duvernay stated he believes it expires 2018 and it does have an option to renew.

MOTION: No Motion

2. Recreational Use Permit – Future Cruise Ship Docks

Presentation by Port Director

Mr. Uchytel stated he received a request from a couple requesting to have their wedding at the CT facility on the new dock and presented a draft of a recreational permit. It would be recreational use on the new cruise ship dock.

Committee Questions

Mr. Peterson asked if there would be staff involved.

Mr. Uchytel answered just for creating the reservation and the permit. They would be required to do everything for set up and clean up. There would be a tent.

Mr. Zaruba asked if we want to provide this service.

Mr. Donek said the downside would be any costs we incur.

Mr. Janes stated we could make money from this.

Mr. Summers asked what about the parking.

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Mr. Uchytel answered the parking would be up to the guests at wherever public parking is available. The reception is going to be at the top of the tram.

Mr. Zaruba asked again if we really want to go down this path.

Mr. Uchytel answered since 49% of the Juneau public was opposed to the new cruise ship docks, this would be a great public service to offer other uses when the cruise ships are not in town.

Public Comment - None

Committee Discussion/Action

Mr. Summers said he has seen many other communities use their docks for other events which would be a great service to the community.

Mr. Zaruba stated this is a great idea during off season.

Mr. Donek stated we should have it listed as public use not recreational.

Mr. Summers stated that the permit should read the users shall be required to clean up and rent dumpsters.

Mr. Uchytel stated this is a draft form and he will work more with the written permit. He asked if we want to pursue this and what we would charge.

Mr. Peterson answered we should charge and find out what staff time may be required.

MOTION: No Motion

IX. Items for Information/Discussion

1. Douglas Harbor Rebuild

Presentation by Port Director

Mr. Uchytel presented the 35% design plan from PND engineering for the Douglas Harbor re-build of floats A, B, & C. We have awarded the demolition contract to Trucano Construction who will start September 1, 2015 and complete demolition by October 12, 2015. At that point, the Corps of Engineers will dredge from October 2015 until March 2016. The contract awarded for building the new part of Douglas Harbor will be from April 2015 – November 2016. We intend to have Trucano's remove the grid. We had a public meeting and received some great feedback. We will be increasing the A Float stalls from 21 to 24 feet and also make them wider. We will increase the head walk float. This will be presented to the full board next week. The total cost will be 6.3 Million dollars and we may be required to use \$1 million of the harbor fund balance. We've been asked to pave & landscape the Douglas Harbor Parking lot as well which would be \$750,000 that was in an original plan from the building of D & E floats but never got completed.

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2. Thane Ore House – Lease Update

Presentation by Port Director

Mr. Uchytel stated we had about six potential lessees go through the RFP process to bid for the former-Thane Ore House property. We also had an open house at the property so we do have some interest.

X. Staff & Member Reports - None

XI. Committee Administrative Matters

1. Next Finance Committee Meeting- Thursday, August 20th, 2015.

XII. Adjournment

The Finance Committee meeting adjourned at 7:20pm.