CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, June 25th, 2015

I. Call to Order.

Mr. Logan called the Regular Board Meeting to order at 5:30p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: John Bush, Tom Donek, Bob Janes, Mike Peterson, Budd Simpson, Scott Spickler, David Summers, Tom Zaruba (new Board member), and David Logan.

Also present were the following: Carl Uchytil – Port Director, David Borg-Harbormaster, Gary Gillette – Port Engineer, Erich Schaal – Deputy Port Engineer, Jerry Nankervis – Assembly Liaison, and Chris Orman – CBJ Law.

III. Approval of Agenda.
Mr. Uchytil asked to add a Special Order of Business before Public Participations.

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

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the May 21st, 2015 Regular Board Meeting Minutes were approved as presented.

Special Order of Business-

Mr. Uchytil presented Erich Schaal with the Employee of the Quarter Award.

V. Public Participation on Non-Agenda Items – None

VI. Consent Agenda - None

VII. Unfinished Business – None

VIII. New Business

1. Thane Ore House RFP
   Mr. Uchytil said for the past several months, staff has been working on a process to advertise a Request for Proposal for the Thane Road Property lease (formerly known as the Thane Ore House). He has updated it with all the changes so far and now any entrepreneur with a good idea will be on the same level as anyone else. With the Board's approval, he would like to begin the advertisement for this process. Staff did revalidate the fee simple value

of this property is $86,600 and are ready to move forward. He said there has been a lot of interest in this area.

Board Questions –
Mr. Simpson asked about #6 on the ranking sheet in the RFP. With the minimum bid amount for rent of $8,600 for 0-20 pts, how much would someone have to offer to get to 20 pts?

Mr. Uchytil said this would be based on the criteria established in the RFP which is subjective and not compared to other proposals. If someone were to offer $100,000 a year and someone $8600, the person offering the $8600 would get 0 and the highest value would get the 20 points. This is only 1/5 of the entire score.

Mr. Simpson said this would be compared to other proposals.

Mr. Logan said you could set the points to a scale. The minimum bid of $8600 would be 0 points and $15,000 would be 5 points etc.

Mr. Simpson said all the raters need to use the same scale.

Mr. Bush said the minimum bid should be 0 and the highest should be 20 and the proposals in between would be given points set to a scale. Even someone with the minimum bid could be given the opportunity for the lease if they were high in the other areas of the ranking sheet.

Public Comment –
Savanah Worley, Juneau AK
She said Docks & Harbors could post this RFP on the Alaska Municipal League classified list.

Board Discussion/Action

MOTION By MR. PETERSON: FOR THE PORT DIRECTOR TO PROCEED WITH ADVERTISING TO LEASE THE FORMER THANE ORE HOUSE PROPERTY AND ASK UNANIMOUS CONSENT.

Mr. Logan objected. He asked if the ranking sheet for the dollar value should be subjective like it is presented?

Mr. Donek said the evaluators are going to use the highest proposal for the 20 points and the $8600 as the 0 points. The insignificant increase from the minimum bid to the significant increase will be the subjective part.

Mr. Simpson said if there is a process that the raters can all get on the same scoring criteria he is good with this.

Mr. Janes asked who will be doing the evaluations?

Mr. Uchytil said he would like to have some staff members, board members, and possibly the Assembly liaison. This is a subjective process and there is only one winner. He recommends to have a good number of people evaluating.

Mr. Janes said he is good with this situation with an understanding that everyone is on the same scoring criteria.

Mr. Zaruba asked how many people have shown interest so far?

Mr. Uchytil said five or six.

Mr. Summers asked if the property was appraised or assessed?

Mr. Uchytil said there was an appraisal completed?

Mr. Summers said that would mean we are missing the market rate value. Without that there is nothing to tell us what the high and low end is. He would like to be on the panel scoring the RFP's.

Mr. Logan removed his objection.

IX. Items for Information/Discussion

1. Recreational Boat launch Fees Regulation Changes (05 CBJAC 20.060)
   Mr. Logan said he is sending this back to the OPS/Planning Committee for more discussion and he wants a consensus before this moves to the Finance Committee.

2. Lucity Asset/Maintenance Management System
   Mr. Schaal showed a power point presentation showing a quick over view of what Lucity, a facility asset management program, can do. This program allows you to record Docks & Harbors facilities, costs, their characteristics, and it allows you to track those costs and your workers time and repairs you need. There are different modules that can be added to make the program specific to our needs. This integrates the different facilities and allows you to monitor them and run reports on the costs and depreciation of values. You can identify if a system is starting to show failure and can start to plan ahead for a repair. Other CBJ Departments are purchasing Lucity and we are combining our knowledge base and working together. Staff has completed about 95% of data collection and are working closely with MIS and a Lucity project manager that staff meets with bi-weekly to gauge our progress and answer questions.

Mr. Spickler asked what the initial fee for Lucity and the annual cost to maintain this program?

Mr. Schaal said the initial cost is $30,000 and roughly $4,000 annual fee which is based on the number of modules that were purchased.

Mr. Spickler asked if this would be able to track if staff needed to repair a certain area several times a week and how many hours?

Mr. Schaal said yes. This will help organize for efficiency with knowing what parts and supplies to bring to fix a certain area of the Harbor.

Mr. Zaruba asked when this is implemented, will Docks & Harbors be able to accurately assess cost against revenue generating activities by each activity?

Mr. Schaal said the revenue side is in our FSM program and the expense is in Lucity so it won't be easy to just run a report. However, Lucity is using the same codes directly related to FSM. He is not sure how they will be correlated yet.

Mr. Zaruba asked if there will be data that allows staff to compare expenses to revenues to see if a particular revenue activity is profitable or non-profitable, and make those kind of analysis.

Mr. Uchytil said Lucity will help Docks & Harbors better manage our facilities. This will be for work orders, assign quarterly, semi-annually, and annual preventative maintenance work. That work will be better tracked. It will also have drawings and manuals easily accessible all electronic. This software will not be able to track the number of hours doing a specific task.

Mr. Zaruba asked if this could at some point accurately track expenses against revenue for the Harbor operations if it is broken down by revenue generating activity?

Mr. Logan said Lucity will track the man hours and maintenance issues, but that is only one factor in the expenses.

Mr. Schaal said Lucity does not track revenue.

Mr. Zaruba asked if Lucity will track all the Harbors operating expenses?

Mr. Schaal said this is facility specific.
Mr. Uchytil said Lucity doesn't track the electricity expense and the water expense for the Harbors.

Mr. Schaal said this will have the electric accounts for the different Harbors to be able to track if there is an issue.

Mr. Janes asked if this would be able to track how much boat expense, float expense, and where the more problem areas are based on the man hours?

Mr. Schaal said this could be addressed by a work order task if that is the direction we want to go in.

Mr. Peterson would like Mr. Schaal to provide an update when this is up and running.

Mr. Schaal said it will be approximately six months.

3. Opposition to Zone Change Proposal from Waterfront Commercial to Industrial-
   Mr. Lockwood, Juneau, AK
   He said he is here to explain his opposition for the zone change from Waterfront Commercial Industrial to Industrial which was proposed by the CBJ Engineer/Public Works Director Rorie Watt. He provided a handout and wanted to go over it briefly. The proposal was presented through the Planning Commission on April 14th, 2015 which was denied. Changing this from Waterfront Commercial Industrial to Industrial eliminates any of the waterfront activities, it eliminates floating docks, no provisions for a conditional use for floating docks and facilities under the conditional use application. He said this is degrading of this waterfront and was supported by the Planning Commission in that effort. Mr. Watt protested the Planning Commission's decision and Mr. Lockwood said he opposed this zone change again and it was decided by the Assembly to table that application. He said he will continue to oppose this and suggested Docks & Harbors do as well. The zone change is to accommodate a sewage sludge burning facility and he said this facility should be located in Lemon Creek.

   Mr. Uchytil said he agrees with Mr. Lockwood.

   Mr. Zaruba asked how many LF of waterfront is there for this zone change?

   Mr. Lockwood said 1000'.

   Mr. Janes asked Mr. Uchytil what the original reason is to re-zone this area?

   Mr. Uchytil said Mr. Watt thinks this is a good location for the sludge incinerator adjacent to the waste water treatment plant and it would require a zone change.

Mr. Janes said he is not in support of this zone change to take waterfront when there are other areas for this incinerator. The Board needs to protect Docks & Harbors interest in this area for future waterfront development.

Mr. Donek asked if these are tidelands Docks & Harbors has control over?

Mr. Gillette said some is uplands and some tidelands and in resolution was given to Docks & Harbors to manage.

Mr. Bush asked as Docks & Harbor property managers of this land, was the zone request sent through the Port Directors office before it went to the Planning Commission?

Mr. Uchytil said staff was not notified as a property manager, and addressed this with the Deputy City Manager.

Mr. Simpson said he offered to schedule this topic at the next OPS/Planning Agenda.

Mr. Peterson said the concern he has is this will go through the Assembly without being notified first again.

Mr. Logan said he would like this to go to the OPS/Planning meeting and have Mr. Uchytil monitor where it is.

Mr. Donek said he is upset Docks & Harbors was not notified for this zone change. He would like Mr. Watt to come and explain to the full Board his actions.

Mr. Uchytil said he did have a CDD planner come in March and brief the Board on this zone change. The question was asked by Mr. Peterson if this would affect this area and the planner Johnathan Lang said "no". However, it will affect this area.

4. Juneau Port Development Lease Extension
   Mr. Uchytil said Mr. Lockwood is the manager of the Juneau Port Development and he received a lease from CBJ in 2007. The lease has been extended on three different occasions. The latest extension was approved by the Board in October of 2014 for one year. He said since he has been Port Director, the last two extensions have been done at the last minute and he wants to establish a process now so it is not done at the last minute again. He said he has had discussions with the Chair and Vice-Chair and has drafted a letter to Mr. Lockwood similar to what was drafted last year indicating his concerns about the requirements in the lease to have permitting in place in order to continue the lease. This is on the Agenda

tonight as an information item to find out how the Board would like to proceed with this. He gave Mr. Lockwood and the Board members a copy of the Draft letter.

Mr. Logan recommended Mr. Lockwood carefully read the letter and consult an attorney.

Mr. Lockwood said he would do that.

Mr. Logan said this will be an action item in September and the list is in the letter of what you will need in order for another lease extension to be granted. You will need to give all the items in the letter to the Port Director.

Mr. Janes said in reading this letter he agrees with everything except the last sentence "Without the necessary permits and the survey plat the lease may be terminated". He said he is glad the word "may" is used because that gives the Board a little discretion to still be able to renew the lease. However, the permits are critical to the Board's decision making.

Mr. Orman said the word "may" is the word that the Law Department is worried about. If the Board goes back and looks at the 2007 Ordinance, the intent was for one extension and this Board has already authorized three. If Mr. Lockwood meets the requirements, then he would move into the 36 month building period. This is the eighth year for this lease and beyond the 24 months he was given to get the permits. The language in the lease used "shall" as to the requirements. The concern is that this was passed by the Assembly and the requirements are not being met.

Mr. Logan asked Mr. Orman to attend the September meeting where this will be an action item.
Mr. Uchytil said there is also some legal words in the lease about due diligence and that is how the Board was able to grant the extensions.

X. Committee and Board Member Reports

1. Harbor Fee Review Committee Meeting – June 3rd, & June 17th, 2015
   Mr. Simpson said at the June 17th meeting, the Committee discussed and heard testimony on the daily recreational boat launch fees and the public did not want the fees raised. The Committee recommended to raise the daily fees by a dollar. There was also a request for a senior citizen waiver or discount, but the Committee is still working on this.

2. Operations/Planning Committee Meeting – May 28th & June 17th, 2015
   Mr. Simpson said at both meetings, the Committee discussed the area at the end of Fritz Cove where people are launching their boats. There is a dispute where people want to continue to have access to the water to launch their

boats and the neighbors in that area don't like that. This area is used by the people that have homes on Spuhn Island. Docks & Harbors does own this property with a DOT right of way through the middle of it. The Committee also heard a complaint from Rob Warden on wake damage to his private dock.
Mr. Janes said he will take this issue to TBMP and maybe establish a corridor that the TBMP members would stay into to reduce the wake.

3. Finance Committee Meeting – June 18th, 2015
   Mr. Spickler said the Committee discussed the following;
   - Recreational boat launch permits and could not come to an agreement,
   - Mr. Uchytil gave a financial summary report and it appeared to be within budget.
   - Update on the Thane Ore House RFP

4. Docks Fee Review Committee Meeting – Cancelled

5. Member Reports –
   Mr. Peterson said he was not able to attend the Lands Committee meeting but will give a full report at the next Board meeting.

   Mr. Summers said he has been approached by the downtown merchants with an issue on using the public docks versus the private docks on the single and two cruise ship days. He understands logistic-wise some ships aren't able to dock at the public dock. He said with the cruise ship negotiations two years out, he wanted to know if we should start long term negotiations with cruise lines for the new docks? He would like to start discussions on this topic.

   Mr. Uchytil said Cruise Line Agencies set all the schedules due to several different factors. Docks & Harbors is the facility manager and has not been involved with the scheduling in the past.

   Mr. Summers said there is a perception from the local business owners that Cruise Line Agencies uses the private docks before the public docks for their benefit.

   Mr. Janes said with the two new docks going in there is an obligation to keep these docks filled. This needs to be a policy decision.

   Mr. Bush said Cruise Line Agencies does have ownership interest in the AJ Dock. He said he has been approached also that Docks & Harbors should fill the public docks first.

Mr. Zaruba asked if there was any reason to believe that the new dock won't be filled as is now?

Mr. Uchytil said the ships at anchor currently will now be able to dock at the dock. The City benefits if the ship is docked at either dock and doesn't see being disenfranchised at the current status quo.

Mr. Peterson said he would support having a representative at the table for the cruise ship scheduling.

XI. Port Engineers Report –

Mr. Gillette said his written report is in the packet.

He said he checked with CDD about the table of permissible uses for the end of Fritz Cove, to address the launching issues, which is in a D1 zone. Where this land is located, there is no provision to get a permit to build a launch ramp. Having a launch ramp in this zone is not allowed. Parking lots are not allowed unless they are associated with the use on that property. The idea to have the parking lot for kayakers or pedestrian access to the beach would be allowed.

Mr. Gillette showed a power point presentation on the 16B dock project structure being built. Manson Construction plans to be in Juneau in September to begin the project.

Mr. Spickler asked what the expected life of the new 16B dock is?

Mr. Gillette said 50 years.

Mr. Spickler asked where Docks & Harbors is in the process for the electrification for this dock?

Mr. Gillette said when the new parking lots where put in, conduit was buried from the other side of Franklin street to the bank of the water. There is 24/6" conduits buried under the parking lot with vault locations for access. Docks & Harbor is ready for the electric, we are just unsure when AEL & P will be ready and coordination with the cruise line companies. There are still a lot of decisions to be made.

Mr. Simpson asked if there are any water tight bulkheads in the new docks.

Mr. Gillette said yes.

XII. Harbormaster's Report –

Mr. Borg reported;

- Performed maintenance on the Grid.

- Still working on the GFCI power issues in Aurora Harbor.

XIII. Port Director's Report –
Mr. Uchytil reported;

- On Monday there was about a dozen people attend the Amalga Harbor Fish Cleaning Station planning meeting. This was well worth the time and efforts.
- Staff would like to have a public meeting in July for the Douglas Harbor rebuild project.
- Mr. Uchytil said two weeks ago he held a hearing on a complaint about a vendor booth permit holder interfering with the sales of another vendor booth activities. He said pending approval from the Law Department he will submit his decision to the vendor tomorrow. According to this process, the vendor has the right to appeal the Port Director's decision to the Board within 10 days of receiving the violation.
- Docks & Harbors has procured new parking meters with Parkeon that will arrive July 12th. There is a potential for problems with the current meters from the end of June to July 12th.
- We are hosting a PCC conference in Juneau in mid September. There will be Harbormaster's from California, Oregon, Washington, British Columbia, and Alaska.

Mr. Peterson asked if this was the first violation with a vendor booth holder.

Mr. Uchytil said he wrote warning letters in the past and this is the first time he did a hearing.

XIV. Assembly Liaison
Mr. Nankervis reported;

- Monday evening the Committee of the Whole met and heard the JPD report noting the crime rate has dropped last year.
- The School District is asking for $1.3M for a major maintenance funding request that there was no action on.
- The Airport requested for a general obligation bond for the 2015 ballot.
  - $3.75 M for terminal renovation North Wing
  - $4.2M for the snow removal equipment facility
  - $2.2M to fix Alex Holden Way which is usually under water in the spring when we have snow

    The Assembly took no action on.
- There was a Capital Transit update reporting there will be minor modifications to the routes.

- There was an update with the title 49 Land Use Code which is the revisions on the subdivisions that CBJ has been working on for about six years.
- On June 8th, the Assembly approved an ordinance 15-26 which approved a land trade between CBJ and Christ Evangelical Lutheran Church which is for the Peterson Hill Subdivision behind Swampy Acres. This will provide access for housing.
- Ordinance 15-29 amending the sign code and allowing for steeper penalty was referred back to the Committee with no action.
- The Assembly approved the amendment to the Douglas Harbor rebuild.
- Mr. Donek, David Lowell, and Tom Zaruba were appointed to the Docks & Harbors Board. Mr. Logan was also reseated in a temporary position.
- The appeal of the Planning Commission decision for the Little Rock Dump rezone came before the Assembly on June 11th. The meeting is on CBJ's website if you wanted to hear what happened. Until tonight, he did not know that Docks & Harbors was against the rezone.

  Mr. Nankervis suggested to keep in mind that the person that is complaining about the wake damage to his dock in Auke Bay built it in an area that boats have been using for many years prior to the construction of his dock.

XV. Board Administrative Matter

a. Nominations for July Board positions
   Mr. Logan accepted nominations for a new Board Chair and Vice-Chair.
   Mr. Simpson nominated Mr. Donek for the Chair.
   Mr. Spickler nominated Mr. Peterson for Vice-Chair.
   Mr. Logan said voting will be in July.
b. Adjust Standing Committee for July
c. Harbor Fee Review Meeting – this will be decided after the new members are seated and make the appointments at that time.
d. Docks Fee Review Meeting – this will be decided after the new members are seated and make the appointments at that time.
e. Operations/Planning Committee Meeting –
   Mr. Logan said the members for the July meeting are as follows:
   Mr. Simpson (July Chair)
   Mr. Janes
   Mr. Bush
   Mr. Logan
   The meeting is moved to Wednesday July 15th, 2015 at 5:00 pm.
f. Finance Committee Meeting – Thursday July 23rd, 2015
   Mr. Logan said the members for the July meeting are as follows:

Mr. Peterson (July Chair).
Mr. Donek
Mr. Zaruba
Mr. Lowell
Mr. Summers

g. Board Meeting - Thursday, July 30th, 2015

Mr. Logan presented Mr. Spickler with a plaque and thanked him for his years of service on the Docks & Harbors Board.

Mr. Donek wanted to remind the Board members to send him a request of what Committee they wanted to be on for the remainder of the year and if they are interested in Chairing a Committee. The new Committee's will start in August.

XVI. Executive Session – For the purpose of discussing the Port Director's evaluation.

MOTION By MR. PETERSON: TO ENTER INTO EXECUTIVE SESSION AT 7:28 PM AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

XVII. Adjournment - The regular Board Meeting adjourned at 8:15 p.m.