CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, January 29th, 2015

I. Call to Order.

Mr. Logan called the Regular Board Meeting to order at 5:28p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: John Bush, Tom Donek, Mike Peterson, Budd Simpson, Scott Spickler, David Summers, and David Logan.

Absent: Greg Busch, and Bob Janes.

Also present were the following: Carl Uchytil – Port Director, and Gary Gillette – Port Engineer

III. Approval of Agenda.

MOTION By MR. PETERSON: TO APPROVE THE AGENDA AS PRESENTED (noting the strike out under unfinished business) AND ASK UNANIMOUS CONSENT.

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the December 11th, 2014 Regular Board Meeting Minutes were approved as presented.

V. Public Participation on Non-Agenda Items – None

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

1. Docks Fee Review – Waterfront Vendor Booth Regulation Change.

Mr. Uchytil said the Docks Fee Review Committee was tasked with determining how staff will manage and charge the Vendor Booth Permits. After more than five meetings, the Committee recommended to strengthen the language in the regulation to encourage closer participation to the rules by perspective bidders and to raise the minimum outcry auction bid amount to $30,000 from $5,000. There was also a plural added to "sign" making it "signs" in 05 CBJAC 10.040 Tour Sales permits (c)(5). These recommended changes are pending Board approval. With the Boards approval, the changes will be advertised in the Juneau Empire and after 21 days this will come back to the Board with any changes and then go to the Assembly on March 16th. One week

after Assembly approval this regulation change would be in effect and the outcry auction will be held on March 24th.

Mr. Logan said the recommended changes were also approved by the Finance Committee.

Mr. Uchytil said there was good participation and support from the vendor booth permit holders during this fee review. The Docks Fee Review Committee looked at several possibilities, but the best way to move forward was believed to be adding stronger language throughout the regulation and changing the minimum bid amount.

Board Questions –

Mr. Summers said he heard from members of the public that with a six times increase to the minimum bid it may be difficult to reconcile providing what they consider reasonable opportunity to enter the market.

Public Comment – None

Board Discussion/Action

MOTION By MR. DONEK: TO APPROVE THE PROPOSED REGULATION CHANGES TO 05 CBJAC 10- WATERFRONT SALES PERMIT AND FORWARD THIS ON TO THE ASSEMBLY FOR ACTION AND ASK UNANIMOUS CONSENT.

Mr. Bush provided a friendly amendment – Recommend the Assembly approve the proposed changes.

Mr. Donek accepted the friendly amendment.

Motion passed with no objection

2. Harbor Fee Review – Passenger for Hire Fees

Mr. Uchytil said the Passenger For Hire fees are charged to Charter Operators to use our harbor system. Since 2006, the rate has been $300 per company and $1.10 per passenger for Inspected vessels. Six-pack operators, or uninspected vessels, rate has been $50 per company and $15 per seat for the entire season. The regulation changes in the packet are in red and were approved by the Harbor Fee Review and the Finance Committee. The changes included;

- Adding additional boat launch areas under 05 CBJAC 20.080 (a) & (c)
- Fee changes under 05 CBJAC 20.80 (d)Inspected vessel fees and (e) Uninspected vessel fees are as follows;

(d)(1) Calendar year 2015 permit: $300 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 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 per vessel plus $1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(d)(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 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.

(e) (~~six pack~~ OUPV - operator of uninspected passenger vessels)

(e)(1) Calendar year 2015 permit: $50 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 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 per vessel plus $1.50 per passenger each calendar day that one or more facilities is used for passenger-for-hire activity.

(e)(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 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.

The thought for both Un-inspected vessels and Inspected vessels is that by 2017 they both will be paying the same per passenger fee, and rates after 2017 will be adjusted by the Anchorage Consumer Price Index (CPI).

Board Questions-
Mr. Spickler said the Finance Committee recommended to move the proposed changes on to the full Board for approval.

Mr. Simpson said the Harbor Fee Review Committee recommended to move the proposed changes in the format seen tonight on to the full Board for approval also.

Mr. Bush asked if all the higher dollar permits are for all vessels with more than six passenger capabilities?

Mr. Uchytil said that is correct.

Public Comment-
Doug Unruh, Operations Maintenance Supervisor at Statter Harbor.
He asked if a six-pack vessel operator would be required to show ownership of a vessel. He said as the rates go up annually, there could be a problem with vessel operators reporting and paying.

Mr. Logan asked if this would just need to be a policy for staff to follow?

Mr. Simpson said this is a per vessel fee, and if wording needed to be changed so that intent is followed, he would be in support of that. He is not concerned about the actual owner purchasing the permit as long as someone purchases it and every vessel has a sticker. The Committee heard a lot of discussion on this topic and decided this is a fair way to move forward with smaller increases over three years.

Mr. Peterson supported Mr. Simpson to have this fee change move forward and at the end of the season if something needs to be changed to address it then.

Mr. Logan said the wording seems clear to him, but if staff needs clarification from the Harbormaster or Port Director as to the intent of the wording that is something that could be supplied.

Mr. Unruh suggested change the wording to "per vessel".

Mr. Donek suggested to use "per vessel" after the company fee. Example $300 "per vessel", and $1.10 per passenger for Inspected and Uninspected vessels.

Mr. Simpson said inserting "per vessel" would accurately reflect the Harbor Fee Review Committees intent and would not object.

Mr. Uchytil pointed out that is how it was worded in the past for the Uninspected vessels, but not for the Inspected vessels.

Mr. Logan asked Mr. Unruh if the "per vessel" was added if that would make it clear for staff?

Mr. Unruh said yes as long as it has "per vessel".

Board Discussion/Action -

MOTION By MR. SIMPSON: TO APPROVE THE ATTACHED REGULATION CHANGES TO 05 CBJAC 20.080 – PASSENGER FOR HIRE AS AMENDED AND THE ADDED CHANGE TO SUBSECTION (D) TO ADD "PER VESSEL" AFTER $300, $400, AND $500 AND THE SAME ADJUSTMENT IN SUBSECTION (E) BY ADDING THE WORDING "PER VESSEL" AFTER $50, $100, AND $150 AND FORWARD THIS TO THE ASSEMBLY FOR APPROVAL AND ASK FOR UNANIMOUS CONSENT.

Mr. Logan said he objected for the purpose of discussion. He asked if under Subsection D(2) "vessel permit" needed to be added and again under (E)(2)?

Mr. Simpson said he would agree with that insertion.

Mr. Logan said her removed his objection.

Motion passed with no objection

3. Construction Administration & Inspection for Statter Harbor Launch Ramp Facility.

Mr. Gillette said in the packet is a letter from PND outlining their services for this project. Their fee is based on a time and materials contract and is their best estimate at this point in time. The estimate includes fees for electrical engineering for inspection, landscape architect, and also fabrication work. The fee proposal is $790,150 which is around 7% of the entire project and is typical for this type of project. The amount could go up or down based on how the project moves forward to completion. This is scheduled to go to the Assembly on February 2nd for approval.

Board Questions - None

Public Comment-
Dennis Watson, Juneau AK
He read the second paragraph and last sentence of the PND proposal, "we do not include in budget for double shift coverage". He asked if the contractor gets behind, who pays for the double shift coverage? The contractor would go to working seven days a week and extended periods into the evening as allowed and all of a sudden 64 hours a week doesn't cover it anymore. Does the contractor pay for the extra coverage in PND's contract or does Docks & Harbors pick up the extra cost?

Mr. Gillette said if the contractor has to go to double shifts, Docks & Harbors would pay for the additional inspections.

Mr. Watson asked if the contractor gets behind, does Docks & Harbors have to pay for that through PND?

Mr. Gillette said Docks & Harbors would have to pay PND if they were on sight additional time. We would not be paying the contractor if they run behind and have to pay overtime to their employees. In a case like this, Staff would keep close watch, but it is hard to estimate at this point.

Mr. Watson said it does not make sense to him that Docks & Harbors has to pay if the contractor gets behind because of their own fault.
Board Discussion/Action
Mr. Simpson said this was reviewed at the OPS/Planning Committee and it was recommended to the full Board for Action.

MOTION By MR. SPICKLER: TO AWARD CONSTRUCTION ADMINISTRATION & INSPECTION, TIME & MATERIAL, CONTRACT TO PND ENGINEERS FOR STATTER HARBOR LAUNCH RAMP FACILITY NOT TO EXCEED $790,150 AND RECOMMEND THE ASSEMBLY APPROVE AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

IX. Items for Information/Discussion

1. Strategic Retreat Planning
   Mr. Uchytil said staff sent out a doodle scheduling for a date for the Strategic Retreat and March 7th is the date most of the Board members could participate. Mr. Uchytil said Mr. Jardell agreed to come and speak at the retreat.

   Mr. Logan said at the retreat he intends to go through the Harbor system and the Port and look at;
   - what we have,
   - determine problem areas,
   - what is breaking down and needs to be replaced,
   - what should be done differently,
   - Figure out expense for potential projects
   - Ways to generate revenue for potential projects.

2. Douglas Harbor Update
   Mr. Gillette said the Army Corps of Engineers civil section is planning to fund the dredging portion of the Douglas Harbor project, and will know early next week if they received funding for the dredging. Staff is working with PND to provide plans and specifics to demolish old Douglas Harbor. They should have a draft to us by February 20th, and out for the public to see the following week. Once the Harbor is cleared out, the Corps of Engineers will have their own contract with a contractor to do the dredge work. When the dredging begins, staff will finalize the design and drawings for the floats and the final configuration with cost estimates and will be prepared to put this out to bid when the dredging is complete. Mr. Gillette said he communicated with Mike Lukshin at ADOT who gave Docks & Harbors the deadline of March 2nd to use the grant money and he is okay with the phasing concept. There should be no issues with losing the funding for this project.

   Mr. Logan asked for a timeline for this project.
   Mr. Gillette said a lot of this depends on when the Corps needs to use the funding for this project. They sent out letters of interest to see what companies are interested in this project and are preparing documents for moving forward as if it has been funded. They plan to have a contract in

place by October 1st so work could begin on that date. The demolition work would need to be done before October 1st, but it shouldn't take long.

Mr. Uchytil suggested to have discussion on whether the Douglas Harbor would be a replacement in kind, or are there other ideas?

Mr. Donek suggested having this discussion at the Strategic Planning Retreat.

Mr. Logan suggested having an overview of all the harbors at the retreat.

Mr. Uchytil said other decisions that need to be made for Douglas Harbor that were never finished is the parking lot and the landscaping.

Mr. Logan recommended to bring the Harbors financial information and the cost estimates for the projects to help the Board decide with dollar values to the retreat also.

3. Thane Ore House lease Update
   Mr. Uchytil said this area has been appraised by Horan & Company. Staff will hire a surveyor to have the property corners marked to ensure which is the lease area and which is the ADOT right of way. The Thane Ore House lease will go back to the OPS/Planning Committee to work on a Request for Proposals (RFP) process to determine what business plan would be the best fit for this area. He said he is working with CBJ Law Department on ideas to choose the best business for this area also.

4. Statter Harbor –Horton Lot Mitigation
   Mr. Uchytil said with Miller Construction mobilized and using the Horton lot for the Statter Harbor Launch project, this will not be available for vehicle and trailer parking. He said he sent letters to private property owners along the corridor and also communicated with UAS, Juneau School District and First Student. First Student is willing to work with Docks & Harbors to make available during non-school an area within their bus lot which would provide for 15 to 20 spaces for truck & trailer mitigation. Mr. Uchytil asked CBJ Law to provide councel on the ability to manage that lot with ticket writing and other parking issues. There will be a meeting next week with the Juneau School district for more parking during non-school days. Mr. Uchytil said UAS is not interested in trailer parking, but may allow car parking. He will have more discussion with them. He said Jennifer Shinn from his office will work on a parking tri-fold to provide parking information for the Auke Bay area.

Mr. Logan asked if there was any changes for the Statter Harbor parking lot itself?

Mr. Uchytil said at the next planning commission meeting on February 10th there will be a conditional use modification for the Auke Bay Loading Facility to be used for a Boat Yard. Depending if this is approved and the Auke Bay Boat Yard lease holder would want to move sooner rather than later, that could free up more space for mitigation.

Mr. Logan asked if there was going to be any change within the Statter Harbor parking lot to ensure more turnover in that area?

Mr. Uchytil said the $75 monthly parking fee will be suspended this summer and patrons will be charged the full $5.00 per day fee. Staff is hoping this will encourage turnover. This information will also be added to the tri-fold.

5. Cruise Ship Berth – 1% for Art Process
   Mr. Gillette said there were eight artists with 21 different proposals. The 1% for art panel met and narrowed the selection to four artists and four proposals. One of the artists selected was from California and the selection panel directed Mr. Gillette to invite him to come to Juneau to see the Community and visit with people to submit his final proposal. The selection panel also wanted one of the local artists to provide a different proposal. They liked her work, but was not fond of the proposal she submitted. The next meeting for the final selection should be the first part of April.

6. Board Communication & Scheduling
   Mr. Uchytil said he would like suggestions on a better way to communicate with the Board & Committee members to know if the members will be attending the meetings for quorum purposes.

   Mr. Logan asked if any of the Board members was not receiving e-mails or that e-mail was a poor way to communicate?

   No Board Members Responded.

   Mr. Logan said it is important for all the members to reply to the e-mails, but do not hit reply all.

   Mr. Peterson suggested maybe to send a text.

   Mr. Simpson said he likes the notice a week before. He also finds it helpful to get a reminder the day of or the day before the meeting.

Mr. Logan said we usually get the e-mail the week before, and then the update is the day before. He asked if this was okay with staff?

Mr. Uchytil said that will work with an e-mail on Friday and then send out an updated packet on the day before the meeting and the Committee and Board members can respond to that e-mail if they will be able to attend the meeting.

Mr. Logan recommended to respond to the first e-mail if a member can attend the meeting and the second one will be informational only.

X. Committee and Board Member Reports

1. Docks Fee Review Committee Meeting – January 6th, 2015 & January 27th, 2015.
   Mr. Logan said the Committee discussed the Waterfront Vendor Booth Permit regulation changes that were approved here tonight, and are starting discussion on the loading zone parking fees. Staff was instructed to get the information out to the people that will be affected by changes to the loading zone parking fees so they will be able to attend the next meeting.
2. Harbor Fee Review Committee Meeting – January 14th, 2015 & January 28th, 2015
   Mr. Simpson said the Committee has spent most of the time on the Passenger for hire fees for the Inspected and Uninspected Vessels and are now working on fees at the Auke Bay Loading Facility. He said the Committee is interested in looking at the costs at these various facilities and try to rationalize the fees versus the expenses (ie, Manpower, equipment, etc.). The Committee heard from one of the big users of the Auke Bay Loading Facility and he said he paid a certain dollar amount for using the facility, but that amount was not on the revenue sheet provided from staff. The Committee asked staff to look into this more and come back to the Committee with updated information. The Committee is also trying to simplify all the little fees by consolidating them and putting them into a larger fee.

3. Operations/Planning Committee Meeting – January 21st, 2015
   Mr. Simpson said everything the Committee discussed was discussed here tonight.

4. Finance Committee Meeting – January 27th, 2015

Mr. Spickler said many of the things the Committee discussed were discussed here tonight. The Committee did hear a report from the finance director Bob Bartholomew who gave an overview of Docks & Harbors finances, and in large

everything seems to be on tract. Mr. Spickler said Mr. Bartholomew asked the Committee to decide on an issue and wanted Mr. Uchytil to explain.

Mr. Uchytil said the Port Development fee is the $3.00 fee that Docks & Harbors collects and Mr. Bartholomew is asking if the Board wants to still use that fee on the 16B project. He also wanted to know if the Board wants to continue to use the $5.00 State collected fee which is approximately $5 Million on the 16B project. Mr. Uchytil said he recommends to have both of these fees go toward the 16B project to help pay down the bond debt. He said Mr. Bartholomew will need to know from the Board if these type of commitments are supported.

Mr. Logan said Mr. Bartholomew was also pointing out that Docks only revenue stream will be solely dedicated to 16B, and this is something for the Board to look at.

Mr. Peterson asked to have this item on the Finance Meeting in February for more discussion and also bring it to the Strategic Planning Retreat.

5. Member Reports –

Mr. Peterson said at the last Lands Committee Meeting the Montessori School wants to develop a park in their upper parking lot and move the parking lot below the building. With doing this, two of the four RV spots would be taken away from Docks & Harbors management. This project was moved forward with the understanding that the Lands Department and Mr. Gillette would work on a good location for the remaining two RV spaces.

XI. Port Engineers Report –

Mr. Gillette said his report is in the packet. The Cathodic Protection bid for the piles that hold up Marine Park and the piles under the deck over area came in over twice the Engineers estimate and the budget. He said he is going to meet with the Engineer to figure out where the high cost is and talk to some of the contractors to see if there was a misunderstanding when they were bidding. This is a project that needs to be done, but it is not crucial at this time. Staff will take the time to look this over and may have to request more funding if this is indeed the cost. The Amalga Fish Cleaning Station $50,000 was approved by the Assembly so staff will be working on a plan for that project.

Mr. Logan asked if the Statter Harbor Launch Ramp project was on schedule?

Mr. Gillette said at this time they are on schedule, but they have requested a 31 day extension due to a delay in getting the contract signed. They are working cutting trees and bringing in gravel. They are also buying sand from the airport for this project.

Mr. Logan asked when is the completion date?

Mr. Gillette said end of July 2016.

Mr. Logan asked if Aurora Harbor project is on schedule?

Mr. Gillette said the contractor should have all the floats done by the end of February or the first part of March. A lot of the floats are in town already. Trucano Construction has the approach dock piles in, and Northern Construction has all the decking except the last section completed. At this time they appear to be on schedule.

Mr. Logan asked for a 16B update?

Mr. Gillette said things are moving forward. Jesse Engineering in Tacoma are working on the steel pieces. Concrete Tech is almost complete with their shop drawings and they will start in March on the big pontoons which will be completed by the end of the summer. Mr. Gillette said they may bring both the pontoons up at the same time. PND is working on getting the shop drawings approved and out. It is going very smooth at this stage.

XII. Harbormaster's Report –Dave Borg was absent. Doug Unruh, the acting Harbormaster said he has been working on the gangway at Statter Harbor. The material used on the surface was peeling up, and staff is working on another source.

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

- Tomorrow from 7:30 to 9:00 is doughnuts and coffee at the Yacht Club. This is to provide another opportunity for the public to come and talk everything Docks & Harbors. The doughnuts will be provided by the Alaska Municipal League.
- Several of Docks & Harbors action items will be at the Assembly meeting on Monday for action.
- On February 4th at 5:00 pm is the public meeting for the Aurora Harbor project with Ben Haight and Bill Shattenburg talking about the new pedestals and what that means to boat owners. With the new pedestals there is a ground fault interrupter that some vessels may require additional work or isolation transformer to use our facilities. This is an opportunity to explain what the changes are going to be.
- On February 5th he said he will be presenting on Docks & Harbors projects at the Territorial Sportsman's Association.
- Last month the Board approved two resolutions that were drafted. One was in support of the Harbor Municipal Grant Funding Program and was

adopted by the Assembly. The other resolution was asking Harbor Employees to be placed in the same Alaska Statute as First Responders and Medics. The CBJ Human Resources Committee did not want to approve this with the argument, "why is this only for Docks & Harbors and not the Park Ranger, Parks & Rec, and Treadwell". The Assembly members did not want to move this forward.

XIV. Assembly Liaison Report - None

XV. Board Administrative Matters

a. Operations/Planning Committee Meeting – Next meeting is Wednesday February 18th, 2015.

b. Harbor Fee Review Meeting – Next meeting is Wednesday, February 18th, 2015.

c. Finance Committee Meeting – Next meeting is Thursday February 19th, 2015.

d. Docks Fee Review Meeting – Next meeting is Thursday February 19th, 2015

e. Strategic Planning Retreat –Saturday March 7th, 2015.

f. Board Meeting Thursday February 26th, 2015

g. Dissolution of the Tram Sub-Committee

XVI. Adjournment - The regular Board Meeting adjourned at 7:01 p.m.