

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, July 31st, 2014

I. Call to Order.

Mr. Busch called the Regular Board Meeting to order at 5:35 p.m. in the Assembly Chambers

II. Roll Call.

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

Also present were the following: Carl Uchtyl – Port Director, David Borg-Harbormaster, Gary Gillette – Port Engineer, Mila Cosgrove – H.R. Director, Loren Jones –Assembly Liaison, and Dick Somerville – PND Representative.

III. Special Order of Business

1. Election of Board Chair and Vice-Chair

Mr. Busch said he will be stepping down as the Board Chair and asked for a nomination.

Mr. Simpson nominated Mr. Logan to be Board Chair.

Mr. Logan said he would accept the nomination.

With no opposition, Mr. Logan was named the Board Chair.

Mr. Simpson nominated Mr. Donek to be the Board Vice-Chair.

Mr. Donek said he would accept the nomination.

With no opposition, Mr. Donek was named the Board Vice-Chair.

IV. Approval of Agenda.

Mr. Busch asked to add an Information & Discussion item #3 Comprehensive Review of Docks & Harbors Fees and a correction to a typo, Oceanographic Equipment at Statter Breakwater will be #2 under New Business.

MOTION By MR. LOGAN: TO APPROVE THE AGENDA AS AMENDED.

Motion was approved with no objection.

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V. Approval of Previous Meeting Minutes.

Hearing no objection, the June 26th, 2014 Regular Board Meeting Minutes were approved as presented.

VI. Public Participation on Non-Agenda Items - None

VII. Special Recognition

Mr. Uchytel presented the Quarter of the Year award (January – March 2014) to Ms. Mary (Dolly) Raster.

VIII. Consent Agenda

- A. Public Requests for consent Agenda Changes – None
- B. Board Members Requests for Consent Agenda Changes – None
- C. Items for Action – None

1. AGS Lease Amendment

RECOMMENDATION: TO APPROVE LEASE AMENDMENT #3 TO THE ALASKA GLACIER SEAFOOD LEASE AND AUTHORIZE THE PORT DIRECTOR TO SIGN FOR THE AMENDMENT TO TAKE EFFECT.

2. Docks & Harbors New Mission Statement

RECOMMENDATION: TO APPROVE THE NEW MISSION STATEMENT ESTABLISHED AT THE STAFF STRATEGIC PLANNING WORK SESSION “DEVELOP AND PROVIDE OPPORTUNITIES, SERVICES AND FACILITIES TO SUPPORT MARINE RELATED COMMERCE, INDUSTRY, FISHERIES, RECREATION AND VISITORS”.

3. State and Federal Funding Requests

RECOMMENDATION: TO APPROVE THE STATE AND FEDERAL FUNDING REQUESTS SUBMITTED TO THE CITY MANAGER ON JULY 25TH, 2014 WITH PRIORITY BEING STATTER HARBOR #1, DOUGLAS HARBOR #2, AND AURORA HARBOR #3.

PASSED

IX. Unfinished Business – None

X. New Business

1. Aurora Harbor CA/I Contract Amendment

Mr. Gillette said in the packet is a proposal from PND Engineers for the Construction and Administrative Inspection Services for the Aurora Harbor rebuild. In the RFP there was a provision that the services could be extended to cover the construction period which is typical for a RFP.

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The contract allows for an amendment. Mr. Gillette said he reviewed the proposal and it is consistent with the other projects of that type for the amount of time inspectors are anticipated to review fabrication of floats, pilings, steel work and also the onsite inspection when the contractor gets here. We are also working with a new contractor out of Eugene Oregon, making travel a little more expensive. Because of the unknowns going through this process, this is a time and materials contract amendment and PND's best estimate is \$630,130 given what they know about the project so far. This is a fair proposal based on the services requested to monitor this project.

Board Questions - None

Public Comment – None

Board Discussion/Action

MOTION By MR. LOGAN: TO RECOMMEND THAT THE ASSEMBLY APPROVE A CONTRACT AMENDMENT TO PND ENGINEERS FOR CONSTRUCTION ADMINISTRATION AND INSPECTION FOR THE AURORA HARBOR RE-BUILD IN THE AMOUNT OF \$630,130 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

2. Oceanographic Equipment at Statter Breakwater –

Mr. Uchytel said he was approached by Michelle Ridgway who is a Marine Ecologist at Oceanus. She is asking to install a sampling system via a vertical standpipe permanently bolted to a location on the Auke Bay breakwater. This system has been collecting data from the old NOAA lab since 1959. Mr. Uchytel said CBJ Law Department instructed him to get the Boards approval to enter into an agreement. There are some concerns, but they should be able to come up with some agreement.

Board Questions –

Mr. Logan asked if this would be located on the breakwater year round?

Mr. Uchytel said that was his understanding.

Mr. Logan asked if there are concerns with the winter weather having impact on this system?

Mr. Uchytel said he is not going to negotiate to maintain it, if they want to put in on the breakwater, it will be at their own risk.

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Mr. Logan said his concern is if this broke loose and caused damage to a boat.

Mr. Uchytel said boats are typically not on the breakwater in the winter.

Mr. Logan asked how staff will ensure this will be removed at their expense when the time comes?

Mr. Uchytel said he will add in the agreement Oceanus is responsible to remove their equipment at their expense.

Mr. Donek asked if this is an open ended agreement until they find another location?

Mr. Uchytel said the Coast Guard does not want to give public access to this equipment, and Michelle Ridgeway envisions school groups going and gathering data from it. It makes sense to locate this in a public location.

Mr. Donek asked if this is indefinite?

Mr. Uchytel said yes unless the Board wants to put a 10 year limit on the agreement. He said the agreement will be installation at their cost. If it is in the way, it will have to be removed at their cost. They will be responsible for full maintenance and no guarantee it doesn't get broken.

Mr. Peterson asked if the open spaces are still on the breakwater ?

Mr. Uchytel said yes, but staff plans on having those spaces decked over.

Mr. Peterson asked if it would be before this is installed?

Mr. Uchytel said staff has been working with our consultants to come up with a design because the holes are a risk, but it is not cheap. It is approximately \$150,000 to \$200,000 to cover the openings. He said he is unsure when this project will be completed.

Mr. Bush asked if this sampling system was going to be brought out when needed or stay out on the breakwater year round?

Mr. Uchytel said he is unsure of how much use it will have. He said the purpose of the project would be to create a safe and well-located site that can be used by school and university students to learn about the ecosystem at Auke Bay.

Mr. Summers asked if at any time staff could ask for this to be removed?

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Mr. Uchytel said he has not had that discussion yet. No negotiations have been entered into at this time.

Public Comment – None

Board Discussion/Action

Mr. Busch said he supports this but Docks & Harbors should take into consideration the provisions for safety, that it doesn't interfere with the mooring of vessels, and the standpipe not be a hindrance for traffic. This would be worthwhile for Docks & Harbors to support the science.

MOTION By MR. LOGAN: TO AUTHORIZE THE PORT DIRECTOR TO ENTER INTO AN AGREEMENT WITH OCEANUS FOR THE PURPOSE OF INSTALLING OCEANOGRAPHIC EQUIPMENT AT STATTER HARBOR WITH CONCERNS NOTED, THE SAFETY OF THE HARBOR PATRONS ARE NOT COMPROMISED, THE DEVICE IS REMOVABLE IF NECESSARY AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

XI. Items for Information/Discussion.

1. Statter Harbor Launch Ramp 95% Design

Mr. Gillette said we are at the end of our Statter Harbor Launch Ramp design process. We had a meeting at 35%, 65%, and now the drawings are at 95%. Staff is working on the final details to get the 100% so we can go out to bid the project in mid August. Mr. Gillette showed some slides of the project. He said since the 65% design there have not been significant changes. He said staff has been working closely with Dick Deems to provide a hedge barrier between his property and Docks & Harbors. Instead of a 8' wall, there will be a slope at the end of his yard. This will be less costly and have easily maintained landscaping. Because DOT does not have funding for the improvements out to Seaview drive yet, Docks & Harbors will be doing the improvements to access our project in the DOT right of way. In the middle of the new driveway is a power pole. He said staff is working with AEL& P to reroute the power and remove the pole. The Law Department's review of the view plane agreement issue with Squire's Rest determined it does not exist because it was not signed by the State of Alaska. The new parking lot will provide 98 truck and trailer spaces and 86 car spaces. Mr. Gillette showed more slides and pointed out some of the special features in this project.

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Mr. Spickler asked what the distance was between the 50' truck and trailer parking spaces.

Mr. Somerville said 38'.

Mr. Peterson asked if the comment received at the 65% design was looked into for additional pull through parking?

Mr. Gillette said it was, but a lot of parking spaces would be lost if this feature was added.

Mr. Logan asked for clarification on the comment Mr. Gillette made with DOT not having funding for the Seaview road work?

Mr. Gillette said he was told they don't have the money in the bank, but the funding is technically in place. They have to finalize the design and get this approved by Federal Highway Administration before the funds are released.

Mr. Logan asked if he was anticipating Docks & Harbors project would be completed before DOT started on Seaview.

Mr. Gillette said DOT is hoping to start next summer, but they are unsure. They are still able to reimburse Docks & Harbor the \$100,000 for the retaining wall required from the round-about installation.

Mr. Bush asked if Docks and Harbors was going to be required to get a construction easement for the construction in the DOT right-of-way?

Mr. Gillette said they are on board with the design, but he will look into it.

Mr. Busch asked if the Horton lot was going to be closed in the fall until spring of 2016?

Mr. Gillette said yes.

Mr. Peterson recommended to send out a note in with the launch ramp permits that make them aware of the parking issues.

Mr. Uchytel said the Horton lot in the past was no charge to park in, but moving forward the new parking lot patrons will have to pay to park. This is an item that will need to be addressed in the comprehensive fee structure work.

Mr. Janes asked about leasing an area from the bus company to provide parking for the displaced trucks, trailers and cars as an intermediate approach to this parking problem.

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2. CBJ Pay and Performance

Mr. Busch said he asked Ms. Cosgrove to come and talk about how the performance evaluation works and what the Boards role is with that.

Ms. Cosgrove said CBJ personnel rules require all staff receive an annual evaluation and as supervisors to the Port Director, that task falls to the Board. H.R. does have forms to use, but that is not required. The only requirement is that an overall rating is received so it can be put into CBJ's performance management system. The Board has a large discretion on how the information is collected and how you evaluate. General topics looked at are quality, quantity of work, and the manner in which the work is performed.

The rules require from a pay perspective that the person being evaluated receive an overall acceptable or better to receive a step increase on the pay scale. Everyone except the City Manager and the City Attorney are employees subject to classification plan. A step increase plan is already in place, a two step increase is available if the rating supports this and also a bonus award through the Manager's Office if the Board feels that is appropriate.

Mr. Busch asked if an employee needed an outstanding to be eligible for certain monetary awards?

Ms. Cosgrove said the pay schedule allows for a single step increase if the overall performance is acceptable or acceptable plus, and allows for a two step increase if the overall performance is outstanding and something of note.

Mr. Busch asked if there is always an annual step increase or if employees get to a point that it is every two years or three years?

Ms. Cosgrove said there is a point in the schedule it is every other year. If an employee is in the two year merit increase the Board could request for a merit date advancement so an employee would receive a merit increase annually if the overall performance is outstanding.

Mr. Spickler asked what the step increase percentage is?

Ms. Cosgrove said it varies between steps. The lower end of the scale is 3.3 to 3.4%, and when you hit the every two years it is 4.4%.

Mr. Busch asked if the anniversary date was based on when they were hired?

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Ms. Cosgrove said that is correct and it ties to a beginning of a pay period.

3. Comprehensive Review of Docks & Harbors Fees.

Mr. Logan said at the last Board meeting there was a brief discussion on this topic. This is going to be a huge undertaking. He suggested to have two separate Committee's. One look at Docks fees and the other at Harbors fees.

Mr. Uchtyl asked if the fee schedule was being looked at because the fees have not been adjusted for a number of years, or are we looking at the overall cost to do business and the cost to recapitalize, depreciation, and look at what we should be charging for our facilities. He would argue the second process is a lot more tedious.

Mr. Janes said he agrees with looking at the fees because they have not been adjusted for a number of years and he does not believe they are in line with the cost of living increases. He said they should be looked at to find out why these fees are what they are, and what's evolved over the last few years. This might give us the opportunity to raise or lower them. This will be a lot of work, but this needs to be done because times have changed since the last time some of these fees have been addressed.

Mr. Logan said the fees need to be looked at to find out why these fees are what they are and figure out what it costs Docks & Harbors to provide this service.

Mr. Uchtyl said the argument against that as a public entity, we don't operate on a profit margin and don't have to recapitalize. There are State grant monies and other monies available that make the fee structure complicated.

Mr. Peterson said the timing is right for this project. The ABLF fees, and the new Statter Harbor parking can be addressed.

Mr. Busch said he thinks this will end up somewhere in between updating the outdated fees and the cost to do business. This can't be all figured on the math because we don't recapitalize 100%. He said the Board needs to look at each fee and determine what the right fee should be.

Mr. Donek said the fees should be distributed throughout the user groups. The recapitalization fees were looked at years ago and the fees were just so high they weren't doable. He suggested to look at the fee structure for who's paying what and is it a fair fee for the use of our facilities.

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Mr. Spickler asked if Mr. Uchytel could find out how other ports set their rates?

Mr. Uchytel said Sitka just did a rate study with Northern Economics in conjunction with PND. They looked at the age of the facility and what is appropriate investment required to get there. The Assembly did not approve the recommendation from Northern Economics. Having the CPI adjustment on some of our fees has helped Docks & Harbors.

Mr. Bush recommended to look at all the fees and determine if they need to go up or down?

Mr. Janes asked the difference between the Docks and Harbors fees.

Mr. Busch said all of our funds are split between Docks and Harbors. Revenue and expense is split for the different funds.

Mr. Uchytel said another complication would be with the ABLF was funded by a Tiger Grant and we have other monies available because we are a municipality. Is it right to cut into the private business efforts out there because we have great resources to provide services to our patrons?

Mr. Gillette said we may not be able to charge enough for recapitalization, but having some extra money coming in is helpful to move forward with a project. As well as having emergency funds if something comes up.

Mr. Uchytel said that maybe with the CBJ's shortfall, we may not get as much Marine Passenger Fees as in the past.

Mr. Summers said at this time when budgets are tight it is a good time to look at our fees.

Mr. Logan said he would like to split into two committees. The first meeting would be both committee's together, and staff could bring in current fee information. The Committee's could review this information and decide on a plan to move forward, then report to the full Board and move on from there.

Mr. Jones said the McDowell group who is working on Juneau's economic plan is looking at the strategies they would present to the Assembly or the Assembly would choose from. There are 38 to 40 strategies for economic improvement. There were some issues around maintaining fisheries, or attracting fisheries. The issues he has heard is the rates are too high so the fishing vessels are leaving and going to Hoonah. How does the Docks and Harbors fees impact the ability to attract? He recommends as the Committee's are doing the overall look – what is the structure of the fees in

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terms of attracting or detracting from potential business related to the harbor, either onshore or at the Harbor? Also, is there a way to structure Docks & Harbor fees to maintain income coming in so we can operate, provide services, keep our capital in good repair, but still attract more business to come into Juneau? It might be easier on the Docks side, but harder on the Harbor side.

XII. Committee and Board Member Reports

1. OPS/Planning Committee Meeting – Cancelled

2. Finance Committee Meeting – July 11th, 2014

Mr. Spickler reported the committee heard a recap of the Mr. Roberts Tram lease review. This was moved back to the sub-committee to continue to meet with Derek Duncan and Bob Loiselle. Next meeting will be Tuesday August 5th.

Mr. Orman from the Law department was there to answer CPI questions and also update on the Thane Ore House lease.

3. Member Reports –

Mr. Logan said the Auke Bay steering Committee has met twice since the last Board meeting. The first one there was a long presentation on the Juneau Economic plan, a report on transportation in the Auke Bay Corridor, a discussion on recreation – there is interest now to move the kayak launch location at Auke Bay. The second meeting they reviewed work from last month, a small group presented mini theme plans for more walkability in Auke Bay, and the pedestrian overhead to the Anderson building at the Fisheries Center is going to be a push from the University.

The 1% for Art meeting was last night and the committee worked on a request for proposals. This will go out mid to late August.

Mr. Peterson reported the July 28th Lands Committee meeting was cancelled and the next meeting is August 25th.

XIII. Port Engineers Report – Mr. Gillette’s report is in the packet

Mr. Gillette said Aurora Harbor is moving forward and meeting with the contractor.

Manson Construction is starting the prefabricating process for the 16B project.

Docks & Harbors received a permit for dredging in Douglas Harbor and disposing the dredge spoils in the Gastineau Channel. There was a condition that we develop a monitoring plan. The Corps of Engineers is finalizing identifying the cap for the spoils, and developing a monitoring outline. Because of the open ended monitoring plan staff is relooking at

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disposing of the dredged spoils at an upland facility at Fish Creek Quarry. Staff is looking into what permit would be required for this disposal, and how much fill that could accommodate. The decision could come down to the cost.

XIV. Harbormaster's Report

Mr. Borg reported;

The admin II position at Auke Bay has been authorized.

ABLF power project is moving forward.

The sailing vessel Sinora has been sold.

Replaced five power pedestals on E float in Douglas Harbor.

Tyler Rental, new term contract holder, has completed the port-a-potties swap out with R & S.

All the Docks & Harbors employees have read and signed they understand the TBMP rules.

There was an incident at the ABLF with the M/V Adante. Staff was picking it up with the sealift and the airbags were not completely inflated. This was operator error. The hull of the boat was damaged.

The repairs were covered under Docks and Harbors insurance.

Staff did a mid-season ramp cleanup at North Douglas.

There is a impound auction on August 19th.

All the letters have been sent to the stall holders that are being effected by the Aurora Harbor rebuild. The process of moving the boats will start the first of September.

The pavement at the top of the ramp at North Douglas is failing faster than anticipated. There is not a good patch process for the failing pavement so staff is trying to get SECON out there after August 26th to fix it.

XV. Port Director's Report

Mr. Uchytel said he expects work to start on the Aurora Harbor project as early as the weekend after Salmon Derby.

Juneau was voted top cruise ship port in Alaska by Bon Voyage magazine. The benches at the Yacht club have been installed.

Mr. Jefferson, Thane Ore House delinquent lease holder has until August 10th to remove his personal affects and chattels from that facility. At that point Mr. Uchytel said he will work with CBJ Law to go through lands and develop a process to advertise the Thane Ore House for re-lease. There has been several people showing interest to lease this property. There was a conflict over the 4th of July with Mr. Jefferson and another lease holder, and the police were involved. The lower Thane Neighborhood association has asked Mr. Uchytel to clean up the area.

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The Coast Guard Cutter Healy will be in Juneau for three days in September. There is a request to waive the moorage fees. He said he will bring this to the OPS/Planning Committee meeting, and then to the Board next month.

Next month there will be another Employee of the Quarter recognition.

XVI. Assembly Liaison Report- Mr. Jones said Elections day is October 7th, the State primary is October 19th, and the State Election is November 7th.

XVII. Board Administrative Matters

- a. Operations/Planning Committee Meeting – Next meeting is August 21st, 2014 in the Assembly Chambers at 5:00 p.m.
- b. Finance Committee Meeting – Next meeting is August 26th, 2014 in CBJ Room 224 at 5:00 p.m.
- c. Board Meeting – Next meeting is August 28th, 2014 in the Assembly Chambers at 5:30 p.m.

Mr. Logan assigned committee assignments.

OPS/Planning

Budd Simpson – Chair
Bob Janes – Vice-Chair
Dave Summers
John Bush
Dave Logan

Finance

Scott Spickler – Chair
Mike Peterson – Vice-Chair
Greg Busch
Tom Donek
Dave Logan

Lands Liaison

Mike Peterson

Auke Bay Steering Liaison

Dave Logan

Special Committee Mt. Roberts Tram Lease Review

Mike Peterson – Chair
Scott Spickler
Tom Donek

Port Directors Evaluation

Dave Logan
Tom Donek
Greg Busch

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Rate Review –

Mr. Logan said the first meeting will be a Committee of the Whole and then will branch off to the separate committees. He is hoping to meet after the OPS/Planning, the Finance Meeting, or the Tuesday before the OPS/Planning on August 19th. He will discuss times with the Port Director.

XVIII. Executive Session

MOTION By MR. SIMPSON: TO ENTER INTO EXECUTIVE SESSION FOR DISCUSSION OF PERSONNEL MATTERS RELATING TO THE PORT DIRECTOR'S EVALUATION

Motion passed

Entered into executive session at 7:29 pm.

Returned from executive session at 7:45 pm

XIX. Adjournment

The regular Board Meeting adjourned at 7:45 p.m.