

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

I. Call to Order.

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

II. Roll Call.

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

Absent: Kevin Jardell and Budd Simpson

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette – Port Engineer, David Borg - Harbormaster, Loren Jones – Assembly Liaison and George Schaaf – Parks & Rec Landscape Superintendent.

III. Approval of Agenda.

Mr. Busch added an action item Aurora Harbor Boat House Sale after Old Business.

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

Motion was approved with no objection.

IV. Approval of Previous Meeting Minutes – February 20th, 2014 Special Board Minutes, and February 27th, 2014 Regular Board minutes were approved as presented. February 27th, 2014 Sub-Committee meeting minutes were approved with a correction from Mr. Peterson.

V. Public Participation on Non-Agenda Items – None

VI. Consent Agenda

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

1. Docks & Harbors By-Laws.

Port Director Recommendation:

Forward Docks & Harbors By-Laws revised at the December 2013 Board Meeting, as amended by CBJ Law, to the Assembly for approval.

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

VII. Old Business

1. FY15/FY16 Proposed Budget

Mr. Uchytel said this was approved as a preliminary budget at the last regular meeting, but would go back to the Finance Committee for further in depth review. At the Finance meeting on Tuesday the Committee approved the proposed budget with two items for the Board to consider amending. One item is to not support sending a staff member to the Seattle Boat Show, and the other item is to modify, adjust, or delete the \$45,000 landscaping charges which is on both the FY15 and FY16 Dock budgets. Parks & Rec Landscape Superintendent George Schaaf is in attendance to answer question on how and why these charges came about, and the need for Parks & Rec to request compensation for services rendered.

Board Questions-

Mr. Spickler asked Mr. Schaaf to explain why the landscaping charges are being charged to Docks & Harbors now?

George Schaaf said Parks & Rec takes care of Parks, Athletic facilities and landscaping. We provide landscaping for all of CBJ facilities and municipal parks. We have two kinds of customers;

1. Reimbursable customers - Juneau International Airport, Bartlett Regional Hospital, Centennial Hall, Downtown Parking, and most recently Docks & Harbors.
2. Non-reimbursable customers - Fire Department, the Police Department and the Library.

For several years, the cost to maintain the landscaping has been calculated for the different CBJ facilities and throughout the downtown area at the request of the Finance Department. That information is used to calculate a contribution to the CBJ general fund from the marine passenger fees that CBJ collects. The Finance Department then assigns a certain percentage or value of the services to the different areas of the downtown corridor and assigns a share of that to the marine passenger fees. Most of the downtown facilities near the waterfront use 50% of the cost of the facilities as a justification for what CBJ receives in marine passenger fees to support general CBJ services. To calculate the services, the different types of landscaping is reviewed, i.e. trees, grass, annual flowers, and perennial flowers. Costs have been assigned based on how much time it takes to maintain them. For annuals, the cost is from sowing the seeds, taking care of the beds, watering and weeding them all season, and plowing them under at the end of the season. The fully loaded rate is \$42.00 per hour. For the last year, there was a new landscape supervisor who was tasked with

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

verifying on the ground the number and types of landscaping throughout CBJ. Some Department charges went up and some went down. During the budget process, the Finance Department discovered Docks & Harbors has not been charged like the other enterprise funds. The decision was made by the Finance Department to charge Docks & Harbors as a reimbursable customer for the landscaping services provided.

Mr. Logan asked if Parks & Rec totals up all the costs on plants and divides between the enterprises, or are we charged on a basis of our plants?

Mr. Schaaf said during the budget process, the reimbursable revenues are separated. With doing that, it reduces the amount of money needed from the general funds for our division.

Mr. Logan asked if Docks & Harbors was also paying for the Police Department landscaping expense?

Mr. Schaaf said no, only paying for Docks & Harbors landscaping. The Police Department landscaping is being paid out of the General Fund.

Mr. Logan asked if Docks & Harbors was being charged on a per plant basis and if the overall cost is figured on a per plant basis? Are we just paying for what we get, because a non-enterprise department landscaping charges comes out of the general fund.

Mr. Schaaf said all CBJ Departments landscaping expenses are calculated separately, and they all pay for the landscaping services they are provided.

Mr. Peterson asked if Parks & Rec landscaping charges are a fixed cost in the Airport budget?

Mr. Schaaf said yes.

Mr. Peterson asked how long this has been in effect?

Mr. Schaaf said over three years.

Mr. Peterson asked if there was any discussion on using these plants in the plan, and why doesn't Parks & Rec ask for the marine passenger fees to support this service?

Mr. Schaaf said he thought initially that is how the fees were collected, but that is not how it works, and the money has just been coming out of the CBJ general fund.

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

Public Comment –

Dennis Watson, Juneau, AK

He said in general, it looks like Docks & Harbors is doing a good job on the budget. He said the landscaping is just about 50% of the increase in the budget. He suggested to go out with a RFP for landscaping, or forego the luxury of this service. It might not be too long and this amount is far more than \$45,000, and once it's in the budget it will be there forever. He also said that there is a significant price increase on water coming. If we fall under a major user, there is going to be substantial price increases, yet those rates are flat in the budget. Also, he noticed the interdepartmental rates increasing, but staffing is not going up.

Board Discussion/Action

Mr. Spickler said the timing is good to be fiscally responsible and to have this \$45,000 covered from Parks & Rec or the CBJ general fund. With CBJ's deficit over the next fiscal years, this is something Docks & Harbors should go without or have volunteers plant the flowers and save \$45,000 in manpower.

Mr. Janes said this \$45,000 is not all flowers and there is a percentage of landscaping required for certain projects. He asked Mr. Gillette to explain.

Mr. Gillette said the design that we have for landscaping does meet a requirement that is 10% of the land area. The landscaping is kept to the minimum to keep costs down and the costs to maintain, plus make full use of the property. When the landscape architect does the design, staff stresses to use low maintenance plant material.

Mr. Janes suggested to stay within the requirement for the landscaping for the project, but look for other ways to bring this expense down.

Mr. Gillette said this could be looked at to use other plant material than flowers. We do have about 8, 3' x 8' wood barrier planter structures that are required for security that were to be filled with flowers. If the flowers were eliminated, it would look ugly. These structures will go away when the new docks are built.

Mr. Logan asked if Parks & Rec was asked if there was ways to reduce the costs on the landscaping?

Mr. Uchytel said no. These are just burden costs used. He does not want Docks & Harbors staff planting flowers. It is good to have professionals maintaining the landscape.

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

Mr. Busch said there is \$30,000 in annuals in the landscaping charge. Would it be able to cut that expense in half, or is that a required square footage planter size?

Mr. Schaaf said it is all about choices. The numbers reflect what is currently there and what has been there, but he can work with Docks & Harbors to try to decrease the expense.

Mr. Logan asked when working on a plan for the downtown area, is it just taking a total, or are you looking at your budget for each individual area and work around that.

Mr. Schaaf said the area maintained is driven by the project that is built.

Mr. Logan asked if our budget for landscaping is cut in half, will it affect the master plan?

Mr. Schaaf said no.

Mr. Bush said he likes the concept to try to cut some of the expense for the flowers. He said because this benefits the visitors, he would like to try to get some marine passenger fees to offset the cost.

Mr. Peterson said he is opposed to any amount in the budget under landscaping charges. He said his concern is once it becomes part of the budget, it will not ever go away.

Mr. Busch said we need to have a line item for landscaping, but we can try to find ways to decrease the amount.

Mr. Logan said he agrees with Mr. Busch to keep the landscaping item, but also look at ways to reduce the cost. These costs have been there all along, but Docks & Harbors just hasn't been paying for them. The fact that they are now part of our budget doesn't make them any more real than they were before but less hidden and we now finally have to pay for it directly.

Mr. Donek said the landscaping can't be eliminated, but Docks & Harbors should look at other ways to fund this expense. The marine passenger fees are flat, and we should try to receive more of those funds. These flowers are for the passengers that get off the ships. He said he does not go down town in the summer because of all the tourists so he does not get to enjoy these flowers. He does not want more work put on Mr. Uchytel to go out for a RFP or try to coordinate friends of flowers to plant the flowers.

MOTION By MR. PETERSON: TO APPROVE THE FY15/FY16 budget as presented.

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

Motion passed 5 yes/2 no.

Added New Business Item for Action

1. Proposed sale of Aurora Harbor Boat House

Mr. Uchytel said the Aurora Harbor office informed him today of Mr. Garrison request to sell half of his boat shelter at E33. He is asking \$40,000 and has a buyer. Within our regulation there is a right of first refusal by the Board, and Mr. Uchytel read the regulation. Does the Board want to exercise their right of first refusal to purchase half of the boat shelter at E33 for \$40,000?

Board Questions - None

Public Comment - None

Board Discussion/Action

MOTION By MR. LOGAN: TO INFORM THE SELLER THAT THE BOARD IS NOT EXERCISING ITS RIGHT OF PURCHASE AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. Items for Information/Discussion –

1. Juneau Port Development Update

Mr. Lockwood said he is here as the manager of the Juneau Port Development LLC. He gave a brief overview of his project, the intention of the project and a little bit of the history of the project. There was a packet distributed at the meeting and he went over the documents in the packet. Mr. Lockwood said during the process of this project, another project was put on top of it. About 35 slips were cut off of the plan on the right side of the project. He said he has since redesigned and cut off the 35 slips. This final plan will come back to the Docks & Harbors Board for final approval.

Mr. Peterson asked how the clear titles were coming?

Mr. Lockwood explained this needs to be released from the State of Alaska and the claim holders. With the snow dump on top of the titles, the snow dump is in trespass of States reservations and mineral claims. This can all be resolved, but it is complicated. This is why he redesigned and came here to show the Board that the redesign is in place. Juneau Port Development LLC is moving forward with the dredging as soon as they receive a dredge

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

field permit. He said he has bypassed the issue of the snow dump and moving forward with the project because he has a deadline to have the permits in place under the Boards extension by October 2014.

Mr. Janes asked where he could find the numbers that show a demand for the mega-yacht industry to come to Juneau?

Mr. Lockwood said he has a number on his phone. He received a call from the Mega-yacht people just this morning.

Mr. Janes asked if they were lining up to come to Juneau?

Mr. Lockwood said one of the conditions of the lease was there needed to be an environmental assessment done on the contaminates. At one time that area was slated for a clean up, but was turned down because they didn't want the publicity. This is the most unique piece of property in the whole world. There is no other property that can attract the Mega-yacht market.

2. Statter Harbor C-Float repairs update.

Mr. Gillette said staff met with the insurance adjuster and their engineer. They looked at the damage on C-float in Statter Harbor and understood staffs plan of operations to repair it and concurred that it seemed reasonable. This is not a final decision and the insurance adjuster will go back and analyze it after further review. The damage was obvious and staff stressed the need to have this up and running as soon as possible. We have solidified a contract with Bellingham Marine to repair the four floats that are damaged and they are underway. The intent is to have these floats in Juneau on May 12th, at that time, Trucano will be ready to move on the project. Everything is coordinated and staff is hopeful this will be up and running by June 1st.

Mr. Busch asked if the insurance company gave a timeline when a decision would be made if this would be covered.

Mr. Gillette said no. He said it should be covered, it is just unknown how much will be covered.

Mr. Busch asked if Trucano's work was just to fix the damage on C-float or looking into some of the other damaged areas.

Mr. Gillette said just on C-float.

3. Cruise Ship Berth RFP update.

Mr. Gillette said this is the RFP for the Construction Administration and inspection services for the Cruise Ship Berth project. The handout is the

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

posting notice for the scores for the RFP. We had five proposals and two were especially close. The successful proposer, barring any successful protest, is PND Engineers. PND Engineers will come back and make a fee proposal that will come to the Board for approval and then to the Assembly for final approval.

4. Strategic Planning Meeting.

Mr. Uchytel said he wanted to share with the Board Docks & Harbors supervisor efforts to produce a strategic plan. He said he is not a strategic planner, but if you don't plan to fail, you fail to plan. He showed a power point presentation which showed Docks & Harbors mission statement, the vision statement, values which includes service excellence, continuous improvement, and integrity. He went over the goals and objectives for the 10 year plan, and task implementation. The staff is broken down into four groups that are called HATS, Harbor Action Teams. Each group is assigned a different task which are; workforce plan, leverage technology to improve overall efficiencies, Statler Harbor vehicular management plan, and develop a master plan for Aurora & Harris Harbors. He would like these groups to meet periodically, but have not met yet.

Mr. Janes recommended to promote Docks & Harbors strategic plan so people know and can see what we have in mind.

IX. Committee and Board Member Reports

1. Operations/CIP Committee Meeting –March 13th, 2014

Mr. Uchytel said the only action item was the Norway Point beach access for catamaran use. The charge was half of an annual skiff rate last year. The question was whether the Committee wanted to offer that again this year, and the Committee supported it.

2. Finance Committee Meeting – March 25th, 2014

Mr. Donek said the Committee discussed the landscaping charges in the FY15/FY16 budget, and brought those concerns to the Board tonight.

3. Member Reports –

Mr. Busch said he will be sending, to the Board members, a solicitation to determine a date for a strategic planning meeting to discuss what the Board's role is, and priorities. It will be a four hour work session open to the public.

IX. Port Engineer's Report –

Mr. Gillette said his report is in the packet but wanted to report on some items. He said the Douglas Harbor Corps permit modification has been submitted.

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

The in lieu fee mitigation proposal will be heard by the Assembly on April 7th. Miller Construction is still on schedule for completion of the cruise ship terminal staging area on May 2nd.

The Aurora Harbor rebuild is required to have a Project labor agreement. Staff is reviewing this document and will be working with the union to get the final language before this goes out to bid.

Mr. Bush asked if the winches are in Juneau yet?

Mr. Gillette said they are shipping on Friday.

- X. Harbormaster's Report - Mr. Borg said he reported to work on Tuesday, and after being introduced to other CBJ departments and completing new hire paperwork, he has been meeting with Docks & Harbors staff to figure out where we stand and where we go from here.

XI. Port Director's Report-

Mr. Uchytel said the TBMP meeting should be in early April to discuss the parking issues for downtown and Statter Harbor. The parking lot by Twisted Fish is going to be called the Taku Lot. Docks & Harbor will manage our side and the Twisted Fish will manage their side. The Statter Harbor 65% review will be ready end of April. He questioned the Board whether they wanted to have a separate public open house or have this in with the Board meeting.

The Board recommended to have a separate meeting at Auke Bay.

Mr. Janes asked if the TBMP meeting talked about was the meeting with the transportation managers and Docks & Harbors staff for downtown and Statter Harbor.

Mr. Uchytel said it will be.

Mr. Janes said Industry is hoping for a meeting prior to the start of the season toward the end of April for Operators, transportation managers, Statter Harbor Manager, and Downtown Manager to come together to get to know Docks & Harbors staff and exchange ideas and make sure we are all aware of the patterns that are set for the new facility and Statter. This will help smooth things out for the start of the season.

Mr. Uchytel said he is supportive of this. He would like to see how the TBMP meeting goes and he can schedule something more if needed.

XII. Assembly Liaison Report-

Mr. Jones said April 2nd the City Manager will present to the Finance Committee a balanced budget. The final budget will go to the Assembly for

CBJ Docks and Harbors Board
REGULAR BOARD MEETING MINUTES
For Thursday, March 27th, 2014

approval on June 9th. The three issues CBJ is faced with;

1. Both the house and the senate have taken a \$10 million reduction in revenue sharing. This will be ongoing for the next six years and no revenue sharing after the sixth year.
2. If the legislature passes an increase in basic student allocation, the amount of money the Assembly could give to the school district increases.
3. PERS & TRS issue - The Governor is proposing to put \$3 billion in the proposed PERS & TRS fund. This will help maintain the States bond rating and to get the short fall down. The legislature is not enamored to do this, they may be only willing to put in half. It is unsure how this will affect the municipal bond rating. There is also a possibility CBJ will have to pay 24% instead of 22%, this would mean another \$1 million deficit to CBJ. That won't be decided until April 20th unless a special session is called.

XIII. Board Administrative Matters

- a. Operations/Planning Committee Meeting – Next meeting is April 17th, 2014 in CBJ Room 224 at 5:00 p.m.
- b. Finance Committee Meeting – Next meeting is April 22nd, 2014 in CBJ Room 224 at 5:00 p.m.
- c. Board Meeting – Next meeting is April 24th, 2014 in the Assembly Chambers at 5:30 p.m.

Mr. Peterson suggested to forward the strategic planning power point presentation, that Mr. Uchtyl presented, to the Board members to further review and get ready for their strategic planning.

XIV. Adjournment

The regular Board Meeting adjourned at 7:26 p.m.