

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, December 10th, 2013

I. Call to Order

Mr. Donek called the Finance Committee meeting to order at 5:00 pm in CBJ room 224.

II. Roll Call

The following Finance Committee members were present: Greg Busch, Kevin Jardell, Mike Peterson, Scott Spickler, and Tom Donek.

Also in attendance were the following: Carl Uchytel - Port Director

III. Approval of Agenda.

MOTION BY MR. BUSCH: TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None.

V. Approval of October 29th, 2013 Finance Committee Meeting Minutes.

Hearing no objection, the October 29th, 2013 Finance Committee Meeting Minutes were approved as presented.

VI. Items for Action.

1. Mt. Roberts Tram Update

Mr. Peterson said himself and Mr. Uchytel met with Goldbelt representatives Mr. Bob Loiselle and Mr. Derek Duncan for two hours today. Mr. Peterson said it was a very cordial meeting and lease items were identified that need discussion. He said after the meeting they left in a note of good expectations and looking forward to meetings to come.

Mr. Uchytel said his take away on the meeting was contrite, and it was excellent communication. Mr. Uchytel said he was acting on behalf of CBJ, and Mr. Peterson was acting on behalf of the Board. Mr. Uchytel said he understands Goldbelts position to make money and Goldbelt understands Docks & Harbors fiduciary responsibility to CBJ and the public. These negotiations are not between two private parties, and things in the lease cannot just be deleted or adjusted without going through the process.

Committee Questions-

Mr. Busch asked when the next meeting was?

Mr. Peterson said after Goldbelt receives the updated Reliant appraisal with the Archipelago property sale included.

Public Comment – None

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, December 10th, 2013

Committee Discussion/Action-None

NO ACTION

2. CBJ Marine Passenger Fee Priority List

Mr. Uchytel said every year the City Manager goes out to the different CBJ departments, interested members of the public, and industry for splitting up the \$5.00 local head tax. Roughly \$5 million is collected annually. Approximately \$1.4 million of that goes to the CBJ general fund and the remaining \$3.6 million is distributed on a competitive basis by the CBJ Manager. Mr. Uchytel said for FY14, Docks & Harbors was successful in receiving the following;

- \$154,100 for Docks & Facilities Operations – This is to offset the costs and impacts of providing area wide services and support to cruise ship passengers. This figure is 9% of the docks annual budget.
- \$133,500 Port-Customs Building & Visitor's Center Maintenance – Docks & Harbors is responsible for the year-round maintenance and operations of the facility, which includes all utilities, alarm monitoring, winter snow removal, janitorial, maintenance of the parking lot, and general maintenance of the facility.
- \$75,000 Real Time Monitoring & Communications System (Meteorological data for cruise ship berths) – New technology to provide data for wind and current monitoring sensors at the various dock locations allowing for real time information for navigation purposes. The system would be broadcast over radio, internet, or other public media to be available to all cruise ships navigating in the immediate area.
- \$7,700 Downtown Payphones – CBJ has established a requirement to maintain pay phones in the downtown corridor. This is to meet the telephonic communication demands from cruise ship passenger and cruise ship crew.
- \$60,000 Electrical Winches on the Cruise Ship Terminal- This is to purchase and install three electrical winches on mooring dolphins which will be a mechanical means of lifting mooring lines out of the water. The mooring lines are becoming increasingly larger and more difficult to manage by traditional manual means.

Mr. Uchytel said moving forward, FY 15 Marine Passenger Fee requests are as follows;

- \$154,100 for Area wide port operations – This amount is 9% of the Docks budget that is attributed to area wide services provided to the cruise ship passengers.
- \$133,500 for Port-Customs and Visitor Center Buildings Maintenance Support – Docks & Harbors is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). This amount is \$2.50 sq feet/month for approximately 4450 sq feet of building area.

CBJ DOCKS & HARBORS BOARD

FINANCE MEETING MINUTES

For Tuesday, December 10th, 2013

- \$800,000 for Statter Harbor Passenger for Hire Facility Initial Design – This funding would be for installation of a boarding float, gangway, dredging, and uplands passenger loading zone to service cruise ship passenger embarking on marine based tourism activities.
- \$500,000 for Downtown Restrooms – This project consists of constructing a new restroom facility on the dock structure located on the recently purchased Archipelago property south of the Library/Parking Garage.
- \$1,000,000 for Future Cruise Terminal Staging – This would be to accommodate additional staging areas required to accommodate the larger post-panamax sized cruise ships and greater passenger counts.
- \$7,700 for Downtown Pay Phones – This is to meet the telephonic communication demands from cruise ship passengers and cruise ship crew. CBJ has established a requirement to maintain pay phones in the downtown corridor.
- \$150,000 for Visitor Information Kiosk Replacement – This would replace the current kiosk by the Library that has exceeded its current design life. The visitor information kiosk serves cruise ship passengers needing information about Juneau.

Mr. Uchytel asked if this was a good list and if this was the priority the Committee wanted to move forward to the Board?

Committee Question –

Mr. Jardell said he will not support the Statter Harbor Passenger For Hire Facility unless CBJ Law says they are ready to defend this project and it qualifies to receive marine passenger fees. He said he supports the downtown restroom and the future cruise ship staging area because there is a need. Mr. Jardell said he is unsure if Docks & Harbors needs the kiosk.

Mr. Uchytel said Docks & Harbors doesn't need the kiosk, but this is a JCVB request.

Mr. Spickler asked what the square footage of the kiosk was?

Mr. Uchytel said he was unsure.

Mr. Peterson asked if the power capstans were purchased and if they were working?

Mr. Uchytel said they have not been installed yet, these funds become available July 1st, 2013. He said the Franklin dock and AJ dock both received funds for the same purpose.

Mr. Peterson asked if the power capstans fee request was this year also?

Mr. Uchytel said this was not requested this year.

Mr. Busch asked what the legal issue concerns with the Statter Harbor Passenger For Hire Fee request?

Mr. Uchytel said proximity. Receiving funds for anything outside the Cruise Ship Docks area, the Cruise Industry feels it is an inappropriate use of marine passenger fees. Mr. Uchytel said he does not see the risk of bringing this forward and let the lawyers sort it out.

Public Comment – None

Committee Discussion/Action

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, December 10th, 2013

Mr. Donek also agreed with Mr. Uchytel to send this to the Assembly and let them decide.

Mr. Busch agreed with Mr. Uchytel to leave the Passenger For Hire request on the FY15 list for Marine Passenger fees also.

Mr. Jardell said he read the law, and he said the Passenger For Hire fee request is not in compliance to receive marine passenger fees. He will not support this request.

Mr. Peterson said he supports Mr. Jardell to not put the Passenger For Hire Fee request on the FY15 list.

Mr. Jardell said if there was a formula to come up with a dollar amount for use of the Passenger For Hire Facility by the Cruise Ship Passengers, then he would support putting that amount on the FY15 Marine Passenger Fee request.

Mr. Spickler suggested to move this on to the full Board and let the full Board decide to take the Passenger For Hire Facility request out.

Mr. Busch asked if Ms. Mead would be able to provide information at the Board meeting on this request?

Mr. Uchytel said he could ask Ms. Mead if the City Manager was to approve this request to use marine passenger fee for the Statter Harbor Passenger For Hire Facility if she would be able to defend this request?

Mr. Donek asked if the Committee agreed on the following list;

- 1.Area Wide Port Operations
- 2.Port Customs and Visitor Center Buildings Maintenance Support
- 3.Downtown Restrooms
- 4.Future Cruise Terminal Staging – Discussion - Property for bus staging area for the increase in passengers with the larger ships.
- 5.Downtown Pay Phones – Discussion –Requirement by the City Manager that Docks & Harbors maintains pay phones for cruise ship passengers.
- 6.Visitor Information Kiosk Replacement – Discussion –Request from JCVB.

Mr. Donek asked what the Committee wanted to do with the Statter Harbor Passenger For Hire Facility request?

Mr. Jardell suggest to move the list above forward and vote separately on the Statter Harbor Passenger For Hire Facility request.

Mr. Uchytel said there is one Board member, Mr. Janes, who feels this is a legitimate request for this project. Mr. Uchytel suggested to allow Mr. Janes to be able to voice his opinion on this request.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, December 10th, 2013

Mr. Donek said the Committee could put this at the end of the list, or just exclude it all together and just explain to the full Board why it was excluded.

Mr. Jardell said he would agree to the list above and only move the Statter Harbor Passenger For Hire Facility request forward for the purpose of discussion, but not for support. Mr. Jardell suggested to work on a formula to come up with a percentage of use to support funding from marine passenger fees to justify the request for the Statter Harbor Passenger For Hire Facility. Mr. Jardell said there has been a formula built in the past.

Mr. Donek asked when this request was due to the City Manager?

Mr. Uchytel said the end of the month.

Mr. Busch said he likes the idea of moving everything except the Statter Harbor Marine Passenger For Hire Facility forward as an action item. He suggested to bring that forward as a separate action item before the FY15 marine passenger list at the Regular Board meeting. That way, the full Board can still decide to add it to the list if information is provided to support it.

MOTION BY MR. JARDELL: TO APPROVE THE FOLLOWING FY15 LIST FOR CBJ MARINE PASSENGER FEES;

1. Area Wide Port Operations - \$154,100
2. Port-Customs and Visitor Center Buildings Maintenance Support - \$133,500
3. Downtown Restrooms - \$500,000
4. Future Cruise Terminal Staging - \$1,000,000
5. Downtown Pay Phones - \$7,700
6. Visitor Information Kiosk Replacement - \$150,000

AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

Mr. Busch wanted to make sure the Statter Harbor Passenger For Hire Facility request was put on the Regular Board agenda as a separate action item before the FY15 marine passenger fee request above.

VII. Items for Information/Discussion.

1. CBJ Cruise Ship Port Charges

Mr. Uchytel said this is just an information item. Every year this information is provided to Kirby Day and Drew Green. With the exception of the water fees being raised last year, the other fees have not been raised for several years.

VIII. Staff & Member Reports.

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, December 10th, 2013

Mr. Uchytel said based on his understanding on direction from the Board last year, this year Docks & Harbors has partnered with four other Ports attending the Seattle Boat Show to man a booth. It costs each port approximately \$600.00 with splitting the costs for the booth, and then labor costs. Last year two people attended the Seattle Boat Show from Docks & Harbors and the question was how much of a return is there for the expense. This year, JCVB will send a representative from Juneau and Docks & Harbor will send Teena Scovill. This will reduce Docks & Harbors out of pocket expense. CBJ has the FY15/FY16 biannual budget coming up in March of 2014. He said he would like to increase Docks & Harbors FTE's for additional labor. This would be for a Seasonal Harbor Technician at Statter Harbor and a Seasonal Harbor Technician at Aurora Harbor.

He said he is working on being more strategic in prioritizing maintenance work every year and work on a preventative maintenance plan for Docks & Harbors facilities.

Mr. Uchytel said last summer, a fisherman was injured when he tripped while walking back to boat docked on the breakwater at Statter Harbor. The Statter Harbor breakwater is treated like a float and there are a lot of openings for injury. The Fisherman fund is going to pay his medical bills, but this is a large liability to CBJ and could have been very costly. The cost for fixing the breakwater is approximately \$200,000. He said he intends to put money forward for fixing the breakwater for safety concerns.

The Thane Ore House lease is delinquent. We are in the process of breaking the lease with George Jefferson.

Mr. Uchytel said the Cultural Preservation lease was due for review and he ordered an appraisal from Horan & Company. This lease value was appraised at \$713,000.

Goldbelt said the lease says the Assessor shall do an assessment for the rent adjustment.

Mr. Uchytel took this to the Assessor and it was determined the assessed value to be \$680,000. Goldbelt came back and said the assessment performed was not based on comparables. Mr. Uchytel said he will ask the Assessor to approve the appraisal by Horan & Company with the lease value at \$713,000, which is based on comparables.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting January 28th, 2014

IX. Adjournment.

The Finance Committee adjourned at 6:03 pm.