CBJ DOCKS & HARBORS BOARD

REGULAR BOARD MEETING MINUTES

For Thursday, July 29, 2010

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 7:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Donek, Mr. Jardell, Mr. Kueffner, Mr. Busch, Mr. Williams and Mr. Preston.

The following member attended via teleconference: Ms. Jebe.

The following members were absent: Mr. Etheridge and Mr. Wostmann.

Also present were the following: Mr. Stone – Port Director, Mr. McLeod – Administrative Officer, Mr. Benner –Harbormaster and Mr. Gillette- Port Engineer.

Mr. Preston welcomed new member, Mr. Greg Busch, to the Board.

III. Approval of Agenda.

Mr. Stone added the following item for discussion to the agenda:

3. Douglas Harbor GO Bond Request.

MOTION by Mr. Donek: TO ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Special Order of Business-Election of Officers.

Mr. Kueffner nominated Jim Preston as the Chair and Mike Williams as Vice-Chair of the Regular Board.

MOTION by Mr. Kueffner: TO ELECT JIM PRESTON AS CHAIR AND MIKE WILLIAMS AS THE VICE-CHAIR OF THE DOCKS AND HARBORS REGULAR BOARD AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

V. Approval of Previous Meeting Minutes.

Hearing no objection, the minutes of the June 24, 2010 Regular Board Meeting were approved as presented.

VI. Public Participation on Non-Agenda Items.

There was none.

VII. Items for Action.

1. Contribution of $133,490 to CBJ Engineering for a Contract to Tinnea and Associates to Perform Cathodic Protection and Timber Pile Inspection of Steamship Wharf.

Mr. Gillette said Docks and Harbors is joining the Engineering Department on a contract with Tinnea Associates to perform an inspection of the Parking Garage, the Steamship Wharf and the bulkhead at Marine Park. The Parking Garage is the Engineering portion of the project the rest is Docks and Harbors portion which is estimated to cost $133,490.00

MOTION by Mr. Williams: TO APPROVE A CONTRIBUTION IN THE AMOUNT OF $133,490 TO CBJ ENGINEERING FOR A CONTRACT TO TINNEA AND ASSOCIATES TO PERFORM CATHODIC PROTECTION AND TIMBER INSPECTION OF THE STEAMSHIP WHARF AREA AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

2. Contract Amendment for Jensen Yorba Lott, Inc. for Construction Administration and Inspection Services for the Port Customs and Visitor Center Project.

Mr. Gillette said the Contract has been approved by the Assembly and we are moving forward. The contractor, North Pacific Erectors, is ordering materials and submitting shop drawings. We would like to get Jenson Yorba Lott, Inc., the architect of record for the project, to perform contract administration and construction observation services for the project. The total for this Contract Amendment will be $408,950 for construction administration and inspection.

MOTION by Mr. Williams: TO RECOMMEND THE ASSEMBLY APPROVE A CONTRACT AMENDMENT IN THE AMOUNT OF $408,950 TO JENSEN YORBA LOTT INC. FOR CONSTRUCTION ADMINISTRATION AND INSPECTION FOR THE PORT CUSTOMS AND VISITOR CENTER PROJECT AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

3. Cold Storage Feasibility Study. (Previously tabled)

MOTION by Mr. Kueffner: TO TAKE THE COLD STORAGE FEASIBILITY STUDY OFF THE TABLE AND ENABLE DISCUSSION BY THE BOARD.

The motion had a second.

VII. Items for Action (continued).

Mr. Kueffner said the FDC brought a proposal to the Board about a month ago regarding an update to the Cold Storage Feasibility study. We asked for the FDC to come back with a new proposal demonstrating support and possibly a financial commitment from local fishermen and processors. The FDC has come to the Board with a new proposal demonstrating more support from local organizations and they are now asking for $14,000 to update the Feasibility Study. The Docks and Harbors Finance Committee has asked to put one limitation on the proposal that in order to expend the $14,000, the FDC would not utilize Docks and Harbors staff time.

Public Comment

Mike Peterson, FDC Member.

Mr. Peterson said the FDC has become a forum for ideas within the fishing community and the two items that have dominated the discussions are the Cold Storage Facility and offshore fishing opportunities for those people who do not have boats.

Mr. Jardell asked if the FDC has considered approaching the Assembly directly. He felt the Cold Storage Facility would be an economic development item that should be presented directly to the Assembly.

Mr. Peterson said if Docks and Harbors decides not to help with funding the Feasibility Study update, the FDC most likely will approach the Assembly. He said considering increased fish taxes, Docks and Harbors stands to benefit from the Cold Storage Facility so it seems like the appropriate department to approach for funding.

Greg Fisk, 421 Kennedy St., Juneau, AK 99801.

Mr. Fisk said he attended the last JEDC Meeting and they offered staff time towards this project. He did not feel like Docks and Harbors funding the Feasibility stuffy was out of the scope of that department because he sees Docks and Harbors as one of the major economic generators in the City. There is a direct link with the Cold Storage Facility through fisheries infrastructure and increased fish tax. The Department is likely to get a return on this funding if they view it as an investment.

There was further discussion between Board Members

VII. Items for Action (continued).

MOTION by Mr. Kueffner: TO RECOMMEND THE ASSEMBLY APPROVE FUNDING THROUGH DOCKS AND HARBORS TO UPDATE THE COLD STORAGE FEASIBLITY STUDY NOT TO EXCEDE $14,000 WITH THE AGREEMENT THAT DOCKS AND HARBORS STAFF TIME WILL NOT BE USED AND ASK UNANIMOUS CONSENT.

The motion failed with 3 members in favor and 4 members opposed.

4. Taku Smokeries Dock Expansion.

Mr. Stone said Icy Strait Seafoods has requested an amendment to the dock use agreement for the Taku Smokeries Dock so they can expand the dock to accommodate two vessels. Icy Straits will pay for the improvements to the dock in hope of saving money by doing it privately. Mr. Stone included a copy of the original dock use agreement from 1992. He went over the changes to the dock use agreement necessary to allow Icy Strait Seafood to modify the dock.

Public Comment

Greg Fisk, 421 Kennedy St., Juneau, AK 99801.

Mr. Fisk spoke on behalf of Hank Baumgart, owner of Icy Strait Seafoods. He said Mr. Baumgart had reviewed concept plans for the dock prepared by PND Engineers and was concerned by the budget estimates. He would like to privately construct the necessary improvements at considerable savings, while still building to city approved design standards. The improvements would be done as a leasehold improvement and eventually belong to the City. This would require a provision for operator renewal of the contract after the initial 15 years since the dock is essential to the business. There needs to be some language in the agreement addressing when the dock improvements will belong to the City. Mr. Fisk recommended the new language under #12 be taken out and replaced with language stating the City stall take ownership of the improvements as soon as they are complete.

Board Members discussed the correct language to use to make it clear the improvements will belong to the City once they are complete.

Mr. Preston suggested changes to #12 of the Dock Use Agreement read as follows:

Upon termination of the agreement, the owner shall leave any additions and/or improvements made under paragraph 4.c. of this agreement. At the discretion of the City, the owner maybe required to remove the addition and/or improvements in place within 90 days of termination.

Mr. Jardell said the wording still did not make sense if the City will take ownership of the improvements as soon as they are complete. It sounds like the City could still require Icy Strait to remove the improvements that they do not have ownership in at the end of the use agreement.

VII. Items for Action (continued).

Mr. Busch said the way #12 is written gives Icy Strait Seafoods some assurance that the City will not remove or make modifications the dock until the end of the agreement.

Mr. Stone said the CBJ Law Department has reviewed the amendments to the use agreement and we can run it by them again prior to signing and also bring it back to the Board. The use agreement does not need to go before the Assembly because it was initially set up by the Assembly and then we extended it with out Assembly review based on an analysis by the City Attorney.

Ms. Jebe said it does not seem wise to not have input from the Assembly on this project in some fashion. She asked if the City Manager had been involved in the use agreement amendments.

Mr. Stone said the City Manager has not reviewed the use agreement amendments.

Mr. Donek said even though we have the authority to make amendments to the use agreement, we still need approval from the assembly to make the improvements even though Icy Strait Seafoods will be paying for the improvements. He also felt this item should have more public exposure and opportunity for comment.

Mr. Jardell said there is potential for people to see this as a way for Docks and Harbors to get around the City procurement process. He felt it was important to get approval from the Assembly and give the public one more opportunity for comment or objection.

Mr. Stone said it would be a good idea to get Assembly approval. We have done agreements similar to this in the past and Icy Strait Seafoods will have to comply with any purchasing requirements the City has while making the improvements to the dock. We can incorporate the requirements into the Dock Use Agreement fairly easily.

There was further discussion between Board Members.

MOTION by Mr. Jardell: TO AUTHORIZE THE PORT DIRECTOR TO MOVE FORWARD WITH THE AMENDMENTS TO THE DOCK USE AGREEMENT FOR ICY STRAIT SEAFOODS WITH DIRECTION FROM THE LAW DEPARTMENT FOR OWNERSHIP TRANSFER AND AGREEMENT TERMINATION AND FORWARD TO THE ASSEMBLY FOR THEIR APPROVAL AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

5. AEL&P Rate Hike.

Mr. Kueffner said with the AEL&P rate increase of 18.5 percent, Harbors can expect to pay $120,750 this fiscal year for electricity. Without increasing our rates, our recovery factor would drop to 67 percent and become unsustainable.

VII. Items for Action (continued).

MOTION by Mr. Kueffner: TO PRESENT THE AEL&P RATE INCREASE TO THE ASSEMBLY AS A REGULATORY CHANGE AND HOLD TWO PUBLIC HEARINGS AT THE AUGUST 24, 2010 FINANCE COMMITTEE MEETING AND THE AUGUST 26, 2010 REGULAR BOARD MEETING WITH FINAL ACTION TAKEN AT THE AUGUST 26, 2010 REGULAR BOARD MEETING AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VIII. Items for Information/Discussion.

1. Visitor Center 1% for Art.

Mr. Gillette said there is an ordinance in the City code, Chapter 62.65 (copy included in packet) that requires 1% for Art on certain public building projects. Typically Harbor projects have not included the 1% for Art. In the design for the Port Customs and Visitor Center we have included places that would work well for art in anticipation of including some artwork. The 1% will be based on the building values only. He suggested a Selection Board made up of two Arts & Humanities appointed people, two Docks & Harbor Board Members, one Member from the JCVB and one Member from Customs.

Mr. Kueffner and Mr. Jardell volunteered to be part of the Selection Board.

2. Letters from Commission on Sustainability.

Mr. Stone said we received a letter from the Juneau Commission on Sustainability related to the Cruise Ship Dock Modifications. What they are asking is for us to look at any utilities we are providing at the docks in an effort to reduce consumption. We have incorporated this into our plan and have commissioned a study electricity being provided to the ships as well as sewage disposal.

3. Douglas GO Bond Request.

Mr. Stone said Wednesday, August 5, 2010 at 5:30p.m. the Assembly Finance Committee is meeting to discuss what will be on this fall's ballot. One of the items is our request for the Douglas General Obligation Bond. Initially we requested $2,000,000 but since that time there have been some developments and there may be an alternative that would cost an extra $500,000. We may be allowed to dump the dredge materials in the channel and then cap the material with sand and rock. After dredging the bottom of the Harbor, we would also cap that with a material similar to D1. Both the EPA and DEC seemed interested in this solution. He was not optimistic that either solution would meet with public approval since the money would be spent on dirt being moved from Douglas Harbor.

There was further discussion between Board Members. Board Members agreed not to go forward with the GO Bond request to the Assembly.

IX. PRAC Representative Report.

There was none.

X. Committee and Board Member Reports.

1. Operations Committee Meeting- CANCELLED.

2. CIP/Planning Committee Meeting – July 22, 2010.

Mr. Williams said all items at the CIP Agenda were discussed at the meeting tonight.

3. Finance Committee Meeting – July 27, 2010.

Mr. Kueffner said Ms. Danner came before the Finance Committee and expressed some concerns about the 10% fee for contract administration in some current contracts that we have. We had a Union Member from the Longshoreman's Union speak hoping to get our support in creating a terminal agreement under which the Port of Juneau would require foreign vessels to use union labor.

Mr. Preston said he has asked all the current Committee Chairs to remain in their positions for the coming year and they have agreed.

Operations Committee Chair: Cheryl Jebe
CIP/Planning Committee Chair: Michael Williams
Finance Committee Chair: Eric Kueffner

Mr. Busch, as a new Member, was appointed to the Operations and Finance Committees.

Mr. Jardell will remain as Vice-Chair of the Finance Committee and be added to the CIP/Planning Committee.

A Vice-Chair for the Operations Committee is still needed.

Mr. Donek will remain Vice-Chair for the CIP Committee.

XI. Assembly Liaison Report

There was none.

XII. Administrative Officer's Report.

There was none.

XIII. Port Engineer's Report.

Mr. Gillette's Report was included in the packet.

XIV. Harbor Master's Report.

Mr. Benner said Mr. Joergen Schade from Nordic Tug Charters would like to discuss long term plans for keeping Nordic Tug Charters in Juneau. He would like some space to either build on or space for storage to stay here. We will add this item to the Operations Agenda.

We also need to discuss use of the Auke Bay Loading Facility. The facility is becoming busy and people are already abusing the no moorage rule out there.

We have installed the new Launch Floats at North Douglas and they are almost complete. We are repairing a few boards that were broken in transport and we need one last hoop collar.

We have sent out about 200 letter to patrons that own boats that have not moved from the harbor in several years. We are getting some interesting responses to those letters.

We had a gas leak on the Dehart's dock and we were able to responds to the leak and have it fixed quickly.

XV. Port Director's Report.

Mr. Stone said there is an Assembly Meeting on August 9, 2010 and Docks and Harbors has five items on the agenda so he encouraged Board Members to attend. Also on August 12, 2010 a Washington D.C. Lobbyist will be in town the Harbormaster and I will take him on a tour of the Port and other projects.

XVI. Committee Administrative Matters.

A. Meeting Calendar for August 2010.

Operations Committee Meeting – August 17, 2010
5:00 p.m. at the Aurora Harbor Office

CIP/Planning Committee Meeting – August 19, 2010
5:00 p.m. in the CBJ Assembly Chambers

Finance Committee Meeting – August 24, 2010
5:00 p.m. in the CBJ Meeting Room #224

Regular Board Meeting – August 26, 2010
7.00 p.m. in the CBJ Assembly Chambers

XVII. Adjournment.

MOTION by Mr. Jardell: TO ASK UNANIMOUS CONSENT TO ADJOURN THE REGULAR BOARD MEETING.

The motion passed without objection.

The Regular Board Meeting adjourned at 9:18 p.m.