CBJ DOCKS & HARBORS BOARD

REGULAR BOARD MEETING MINUTES

For Thursday, March 25, 2010

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 7:01 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Etheridge, Mr. Donek, Mr. Jardell, Ms. Jebe, Mr. Kueffner and Mr. Mehrkens.

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

Also present were the following: Mr. Stone – Port Director, Mr. Gillette – Port Engineer, Mr. McLeod – Administrative Officer, Mr. Benner – Harbormaster and Ms. Hood – Parks & Rec. Liaison.

III. Approval of Agenda.

Mr. Stone said Item for action #6 should be changed to read:

Amendments to Docks and Harbors Regulation-Waterfront Sales "Actively Sell" Requirement and the requirement limiting persons to an interest in only one permit.

Mr. Stone included a letter from the Mayor of Petersburg to join in urging the Alaska State Legislature to amend the Fisheries Business Tax legislation to share more than the current 50% of the tax revenue with qualified communities. He asked to refer this item to the Operations Committee for discussion.

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

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

Ms. Jebe said there are were few minor changes to be made to the previous meeting minutes and they had been given to the Committee Secretary.

MOTION by Ms. Jebe: TO ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON FEBRUARY 25, 2010 AS AMENDED.

The motion passed without objection.

V. Public Participation on Non-Agenda Items.

There was none.

VI. Items for Action.

1. Amendment to Docks and Harbors Regulation – Storage Fee Discount for Reserved Moorage Patrons.

Ms. Jebe said this is a proposal to reduce the storage fee from $ .50 per square foot to $ .25 per square foot for persons holding reserved moorage. The discount would be limited to one personal item less then 200 square feet. Any additional items being stored by the moorage holder would be charged at the regular rate of $ .50 per square foot. The Operations Committee was in favor of the discount.

Mr. Kueffner asked if there were people storing items in Harbor storage that were not regular Harbor Patrons. He also asked where the designated storage spaces were.

Mr. Benner said there are people using the Harbor Storage that are not regular Harbor Patrons. We have designated storage space in Aurora, Norway point, Douglas and out at Auke Bay.

Mr. Stone said we will be picking up additional storage vehicles this year when we issue parking permits. We will be limiting the number we give out and we will be moving patrons storage vans to the storage areas.

MOTION by Ms. Jebe: TO PROPOSE AN AMENDMENT TO THE HARBORS FEE REGULATIONS ADDRESSING STORAGE FEE DISCOUNTS FOR RESERVED MOORAGE PATRONS, TO HOLD PUBLIC HEARINGS AT THE APRIL 27, 2010 FINANCE COMMMITTEE MEETING AND THE APRIL 29, 2010 REGULAR BOARD MEETING AND TO TAKE FINAL ACTION ON THE AMENDMENT IMMEDIATELY AFTER THE PUBLIC HEARING AT THE APRIL 29 REGULAR BOARD MEETING AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

2. Transfer Request Closing Out Three CIP Projects.

Mr. Gillette said the Public Works and Facilities Committee had some questions about marine passenger funds from three completed C.I.P. projects going into the deferred maintenance account. We have decided to close out the three projects, Ferry Dock Wharf Widening, S. Ferry Terminal Wharf Extension, and IVF Float Stabilization into the Downtown Cruise Ship Berth Enhancement Project. The total transfer to this project will be $285,000.

VI. Items for action (continued).

MOTION by Mr. Etheridge: TO RECOMMEND TO THE ASSEMBLY THE APPROVAL OF A TRANSFER OF $285,000 FROM CIP'S 354-73, 354-80, AND 354-94 TO CIP 354-95 DOWNTOWN CRUISE SHIP BERTH ENHANCEMENT AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

3. PND Contract Amendment for Upland Improvements.

Mr. Gillette said this is an amendment to an existing PND Contract for Douglas Harbor. This will be an additional $33,543 for construction services. We recently awarded that contract to Admiralty Construction and will begin that work soon.

MOTION by Mr. Mehrkens: TO APPROVE AN AMENDMENT TO AN EXISTING PND CONTRACT TO PERFORM CONSTRUCTION SERVICES FOR DOUGLAS, HARRIS, AURORA, AND STATTER HARBORS UPLAND IMPROVEMENTS IN THE AMOUNT OF $33,543 AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

4. Minor FY11/12 Budget Adjustments.

Mr. Kueffner said these are a few minor adjustments to the FY11/12 Budget.
The Dock expenses decreased by $3,550 for FY11 and $850 for FY12. These changes are mostly due to changes in what the accounting department allows to be charged out to CIP projects. The Harbor expenses have risen by $87,119 for FY11 and $62,656 for FY12 due to changes in Personnel expenses. Overall, both Docks and Harbors are still projecting profits during FY 11 and 12.

MOTION by Mr. Kueffner: TO ADOPT THE AMENDED FY 11/12 BUDGET AS PRESENTED AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

5. Fisheries Development Committee Proposal for Cold Storage Facility.

Mr. Kueffner said in 1998 the City & Borough of Juneau paid Northern Economics to prepare a public cold storage feasibility study. The feasibility study cost was between $25,000-30,000 and examined the following: Local fishing activity, demand, max inventory, size, cost, financing options, feasibility, site, features and fish tax. The proposal from FCD is to seek funding from the Docks & Harbors Department in the amount of $25,000 to update the Cold Storage Feasibility Study.

VI. Items for action (continued)

Mr. Glen Haight, 1514 Ling Court, Juneau AK 99801-FDC Member

Mr. Haight said a complete copy of the original cold storage feasibility study is available online at the following website:

http://www.juneau.org/clerk/boards/Fisheries_Development_Committee.php

He provided a Feasibility Study Key Highlights for information purposes.

Mr. Haight said in 1998 the City & Borough of Juneau paid Northern Economics to prepare a public cold storage feasibility study. The feasibility study cost was between $25,000-30,000 and examined the following: Local fishing activity, demand, max inventory, size, cost, financing options, feasibility, site, features and fish tax. There is demonstrated interest in a cold storage facility by larger processors and direct marketers, through informal surveys and information provided at FDC meetings. The proposal from FCD is to seek funding from the Docks & Harbors Department in the amount of $25,000 to update the Cold Storage Feasibility Study.

Mr. Mehrkens said he understood that 50% of the state fish tax comes back to the community regardless of the landings.

Mr. Stone said the fish landings are kept track of by community and the 50% that comes back is based on the volume landed in that community so increased landings would increase the amount of fish tax coming back to this borough.

Mr. Kueffner said he would like the study to include a risk assessment for this type of facility.

Mr. Jardell asked why the FDC felt it was appropriate to come to Docks and Harbors for funding and who else might be interested in funding this project.

Mr. Haight said he had considered submitting a proposal to USDA and Greg Fisk, former Docks and Harbors Board Member, suggested the Board may be interested in this project since it is funded in part by the fish tax revenues.

Mr. Etheridge asked if there had been any objections from private processors.

Mr. Haight said they were getting positive feedback from the local private processors. Several of the processors are looking to expand their freezing capability.

Mr. Mehrkens asked if the FDC has approached the Assembly. He also suggested the most desirable approach for funding would be a co-op or matching of funds between Docks and Harbors, the Assembly, and the private processors.

VI. Items for action (continued)

Mr. Mehrkens asked if Docks and Harbors would be expected to be an active participant in management if the facility is built?

Mr. Haight said the facility would most likely be run by a non-profit group of some kind.

Mike Peterson, 724 5th St., Douglas AK 99824-Former FDC Member.

Mr. Peterson said resolution 2418 lays out the responsibilities that the Assembly has given to the FDC. Even thought the FDC is under the umbrella of the Assembly, we felt the Docks and Harbors Board was a first step in looking for funding for this project since the FDC has no dedicated funds.

Mr. Kueffner said he would like to see a concrete proposal that the FDC and Docks and Harbors can take to the Assembly.

Mr. Donek said he was not convinced Docks and Harbors had the authority to fund this type of project and he was worried about the costs escalating.

Mr. Mehrkens suggested Docks and Harbors and the FDC jointly approach the Assembly with a concrete proposal.

MOTION by Mr. Mehrkens: TO ASK THE FDC TO PREPARE A PROPOSAL TO DEVELOPE AN RFP TO UPDATE THE STUDY, THE HABOR BOARD WILL ASK THE ASSEMBLY AND THE CITY ATTORNEY IF THIS PROJECT IS APPROPRIATE FOR DOCKS AND HARBORS TO FUND AND THE FDC AND DOCKS AND HARBROS WILL JOINTLY APPROACH THE ASSEMBLY FOR FUNDING AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

6. Amendments to Docks and Harbors Regulation-Waterfront Permit Sales "Actively Sell" Requirement and the requirement limiting persons to an interest in only one permit.

Mr. Kueffner said we would like to remove the requirement to provide evidence of "actively selling"and the requirement limiting persons to an interest in only one permit. The "Actively sell" provision requires permit holders to show us gross revenues of at least $25,000. Since the permits are now selling for approximately $50,000, I think we can safely assume the holders are grossing more than $25,000.

Mr. McLeod said there is also a confidentiality concern when permit holders are providing sales tax information to prove they are actively selling we need to keep those records secured in a locked cabinet.

VI. Items for action (continued)

The requirement limiting persons to an interest in only one permit is severely limiting both competition for the permits and entry into the local tour market by young entrepreneurs with new ideas. I see no business reason Docks and Harbors should be limiting what business somebody can engage in.

Mr. Kueffner said maybe the best approach to changing the regulation is to remove the dollar amount From the "actively sell" requirement but still require the vendors to actively sell.

MOTION by Mr. Jardell: TO PROPOSE AN AMENDMENT TO THE PORT FEE REGULATIONS DELETING THE DOLLAR AMOUNT FROM THE "ACTIVELY SELL" REQUIREMENT AND TO REMOVE THE LIMIT TO OWNERSHIP IN ONLY ONE PERMIT, TO HOLD PUBLIC HEARINGS AT THE APRIL 27, 2010 FINANCE COMMITTEE MEETING AND THE MAY 27, 2010 REGULAR BOARD MEETING, AND TO TAKE FINAL ACTION ON THE AMENDMENT IMMEDIATELY AFTER THE PUBLIC HEARING AT THE MAY 27, 2010 REGULAR BOARD MEETING AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VII. Items for Information/Discussion.

Mr. Preston welcomed new Harbor Board Member, Mr. Tom Donek.

Mr. Jardell said he attended a planning committee for an upcoming maritime festival and he volunteered to be the Board Liaison for this committee.

VIII. Committee and Board Member Reports.

1. Operations Committee Meeting- March 16, 2010.

Ms. Jebe said items for information at the OPS Committee Meeting were: taxicab companies requesting approval to purchase B-zone permits, Kensington trial run from Echo Cove, Harbor mail boxes, grid repairs and damage to the grid, and the upcoming vessel impound auction.

2. CIP/Planning Committee Meeting – March 18, 2010.

Mr. Mehrkens said the CIP Committee discussed the status of the Douglas project and everything else was discussed tonight.

3. Finance Committee Meeting – March 23, 2010.

Mr. Kueffner said the only item discussed at the Finance Committee that was not on the agenda tonight was the Franklin Docks Tidelands Lease which we decided to leave at it's current lease rate.

IX. Parks & Rec. Liaison Report.

Ms. Hood asked for an update on the Douglas Harbor Dredging Project and asked when the blessing of the fleet would be. She has applied for an engraving for her Son-in-Law, Mark Livingston who passed away around Thanksgiving.

Mr. Stone said the Blessing of the Fleet will be held, Saturday, May 1st 2010 at 10:00a.m.

X. Administrative Officer's Report.

There was none.

XI. Port Engineer's Report.

Mr. Gillette said his report was in the packet. He is moving forward to receive the Tiger Grant Funds. The Acquisition of the Lenhart property and the Park property will go to the Lands Committee on April 19th, 2010 and then to the Assembly on April 26th, 2010. We have contacted the Rotary regarding the Park acquisition. The Lenhart property will also go to the Planning Commission on April 13, 2010.

XII. Harbor Master's Report.

Mr. Benner said we had a visit from Rachel Lord of the Alaska Clean Harbors Initiative. He showed her around and she will be compiling a report for us. I will be representing Juneau Docks and Harbors at the Pacific Coast Conference of Harbormasters in Bellingham, Washington the first part of April.

XIII. Port Director's Report.

Mr. Stone said attendance at the Rotary Boat show this year was down from last year. There seem to be fewer displays each year and more Government and Non-profit booths.

We did get some positive feedback on the new Auke Bay Launch Ramp Project.

On the Douglas dredging project the Federal resource and Regulatory Agency is opposed to the dredging of the bottom layer of the sediments in the Harbor and putting them in the middle of the channel. They are using generalized factors to estimate the risks and we are trying to get them to use more localized information to get a better feel for the risk.

There was further explanation of the two studies of Mercury consumption through sea food being used to evaluate the risks of dumping the Douglas dredge material in the channel.

XIV. Committee Administrative Matters.

A. Meeting Calendar for April 2010.

Operations Committee Meeting – April 20, 2010
5:00 p.m. at the Aurora Harbor Office

CIP/Planning Committee Meeting – April 22, 2010
5:00 p.m. in the CBJ Assembly Chambers

Finance Committee Meeting – April 227, 2010
5:00 p.m. at the CBJ Meeting Room #224

Regular Board Meeting – April 29, 2010
7.00 p.m. at the CBJ Assembly Chambers

XV. Adjournment.

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

The motion passed without objection.

The Regular Board Meeting was adjourned at 8:59 p.m.