

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING AGENDA
For Wednesday, December 8th, 2021
Zoom Meeting

I. Call to Order (Following 5:00 p.m. Special Board Meeting via Zoom) Mr. Ridgway called the meeting to order at 5:11 p.m. via Zoom at the Port Director's conference room.

II. Roll Call The following members were present in the Port Director's conference room or via Zoom; James Becker, Lacey Derr, Don Etheridge, Paul Grant, David Larkin, Matthew Leither, Annette Smith, Bob Wostmann and Mark Ridgway.

Also present: Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer and Teena Larson – Administrative Officer.

III. Approval of Agenda

MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT

Motion passed with no objection

IV. Public Participation on Non-Agenda Items – None

V. Approval of Thursday, November 10th, 2021 Operations/Planning Meetings Minutes

Hearing no objection, the November 10th, 2021 meeting minutes were approved as presented.

VI. Consent Agenda - None

VII. Unfinished Business

1. Prioritization of Capital Improvement Projects (CIP)

Mr. Schaal asked the Board to see pages twelve and thirteen of the packet showing the CIP project list priorities. Mr. Schaal shared a document listing the Department Capital Improvement Plan for a six year priorities list. This was separated out by the Docks projects and the Harbor projects. He showed what was needed for funding for FY23 and FY24, leaving the rest categorized as "Future Projects". The \$1M dock waterside safety railings was the only Dock project funded in FY23. The \$3M NOAA Dock acquisition project was the only project funded for FY24.

Mr. Schaal moved to the Harbor priorities list. The \$3M UAS downtown property purchase was the first priority and only project shown to be funded in FY23. The \$4M

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Aurora Harbor Rebuild – Ph IV and \$4M Statter Harbor Passenger for Hire Ph IIIC projects were the only projects funded for FY24.

The \$5M Aurora Harbor Rebuild – Ph III was the only project listed for FY25.

The \$500,000 cost share w/ ACOE for the Statter Breakwater Feasibility Study was the only project listed for FY26.

Mr. Grant asked why the Statter Breakwater Feasibility Study was so far in the future. He feels this is a higher priority.

Mr. Schaal said it could be moved up to FY24 at the Board's direction. Docks & Harbors' is always lobbying the U.S. Army Corps of Engineers to assist with the project. He said we could even move it to FY23, although he does not feel we will have the funds available to match and complete the project.

Mr. Grant said it makes sense to move the project up on the priorities list to show the U.S. Army Corps of Engineers how serious we see the project.

Mr. Wostmann would also like to see the Statter Breakwater Feasibility Study moved up on our priorities list.

Mr. Uchytel said the feasibility study is not an engineering condition report. The U.S. Army Corps of Engineers owns and is responsible for all breakwaters, jetties, and groins in the country. This project would provide a cost and benefit analysis to the community. Mr. Uchytel also thinks this project should be moved up to FY23 or FY24.

Mr. Uchytel said the Statter Harbor Phase IIIC is already being heard by the Assembly and it looks like we might get \$3M. We have estimated that it is a \$4M project with the restrooms, curbs, and asphalt in the staging area parking lot.

Mr. Ridgway asked Mr. Schaal to move that \$500,000 feasibility study to FY23 on the priorities list.

Mr. Schaal showed another list of the projects for the appropriations ordinance. He added the breakwater study to that list per the Board's request. The other two projects being added to the appropriations ordinance were the safety railings and UAS property purchase. The safety railings will be funded by head tax and the UAS property will be funded by the Assembly and Harbor funds.

Mr. Ridgway asked for the sustainability on the UAS property to list economic development and tourism services.

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Committee Questions

Ms. Smith asked what the process was to change a priority. She is on the West Juneau/Douglas Committee and she might want to pull some of their items forward.

Mr. Schaal said the Board always has the ability to change priorities. This list just helps fast track the priorities the Board feels are needed first. Also, when a project gets funding through grants it goes to the top of the priorities list.

Mr. Grant asked what the status was between Docks & Harbors and UAS in regards to the property for sale.

Mr. Uchytel said the Assembly Finance Committee approved \$2M for the UAS Property. He also said we could get a treasury loan to make up the difference. UAS is under no contractual obligation to sell the property. He is hopeful they will agree to sell.

Mr. Uchytel explained the Docks & Harbors Board has two enterprises it oversees. The Docks Enterprise has a fund balance of \$1.5M and the Harbors Enterprise has a fund balance of \$1.5M, but we must hold \$750,000 for a bond covenant for the Harbors. The remaining \$750,000 in the Harbors fund is held so we have three months of operation expense per the suggestion of the CBJ Finance Department Controller. We do not have a lot of money to execute future CIP projects. This is the main reason for wanting to raise rates so we can build a fund and advance some of these projects.

Public Comment – None

Committee Discussion/Action – None

MOTION By MR. ETHERIDGE: TO MOVE THE CAPITAL IMPROVEMENT PROJECTS LIST AS PRIORITIZED BY THE BOARD FOR THE FY23 CIP AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

VIII. Items for Information/Discussion

1. Statter Harbor “D” Float Damage Assessment

Mr. Schaal said on the morning of Friday, November 26th, 2021 at 2:30 a.m. Scott Hinton was on-call and received notification from JPD that float D-11 had broken away from the main dock. Mr. Schaal shared photos of the dock and damage. Four boats needed to be evacuated from the broken dock. They installed a temporary cable to keep the dock straight until permanent repairs can be made. A cable snapped, most likely due to a high wind event. Mr. Schaal also shared photos of debris in the parking lot and damage to the Marine Electronics building and roof. BMI has been contacted for the repairs needed to

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the D Float. They are the same manufacturer that built this facility thirty-five years ago. They will fabricate two new floats, much like the 2014 repairs needed to the C Float. We will open the construction work to the maritime community to bid on and see what that expense is. There are supply issues with getting the foam used to build the dock sections, so it looks like the repairs will be done sometime in March 2022. The goal is to have this work completed by the start of the spring boating season.

Mr. Creswell said there was a great response by his staff and patrons. He said Trucano Construction made the cables needed for the temporary repair. He said they monitor the situation every day and there has not been any change.

Mr. Creswell said he contacted the Marine Exchange of Alaska and asked about getting a weather instrument installed at the breakwater out at Statter Harbor. They have already done a site visit and we are awaiting their answer.

Mr. Schaal said the risk manager at CBJ was called about the damage claim. He said Docks & Harbors pays insurance dues through interdepartmental fees every year. We have a \$1,000 deductible, anything above \$500,000 in damage is paid through a private insurance company outside of the city. He estimated this repair will cost \$120,000 – \$130,000.

Mr. Grant asked about the cables in the other floats and if we should be concerned with future failings.

Mr. Schaal said the condition of cables is very hard to know. They reside in cases that are filled with grease. The cable that broke looked to be greasy and in good shape. He will need to study the break to see if he can find an outside reason for the failure. Our harbor design is one that works until it fails, we are unable to inspect cables.

Mr. Ridgway asked Mr. Schaal to keep the Board informed of the findings and any information on the wind event.

Mr. Wostmann said the M/V Emerald Island is a substantial vessel and is quite tall. He thinks this vessel could have added to the strain and asked if there is a size limitation we should impose for those fingers.

Mr. Creswell said he places a size limitation on the breakwater which is 250 feet, but it also depends on tonnage and sail area. The Emerald Island has wintered in Statter Harbor for the last few years, but is usually on a float closer to shore. He does not know if it could be a factor in the dock failure.

Ms. Smith asked if during the rebuild we can do it in a way so inspections could be made easier. If not, what is the life expectancy of this style of dock? Should we expect to replace these docks on a 15 year schedule?

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Mr. Schaal said the design DOT chose when building this harbor does not lend to inspection or easy replacement. These cables are under so much tension it is hard to replace them or service them.

Mr. Uchytel said this harbor was designed in 1988. Materials and design have come a long way since then. The wave attenuator is \$40M, and we need to get that done first before thinking of replacement of the current docks.

Mr. Grant asked if there is a different kind of repair you could do, maybe driving pilings.

Mr. Schaal said the rest of the structure has cables and it would be hard to change one finger as they are all interconnected. Trying to do piles is very time consuming with regards to permitting and could never be completed by spring.

Mr. Larkin asked if we could pull the broken cable out to see what caused the damage.

Mr. Schaal said he does not want the rest of the modules to move. At this point it is more important to stop further damage than know the cause of this failure.

Mr. Leither said if there is one place to see this kind of failure it is this float. Is there any consideration to increase the size or strength of the new repaired sections, instead of using the same ones we already have?

Mr. Schaal said one of the requests to BMI is to work with us and provide guidance on the amount of stress a new section could withstand. We will see about using better steel and increasing strength as long as it does not negatively affect the other floats.

Public Comment – None

Committee Discussion – None

2. Marine Passenger Fee Request

Mr. Uchytel asked the Board to see page fourteen in the packet. This is an annual program that asks the public to submit ideas to the City Manager for FY23. This is funded with the \$5 local head tax, Marine Passenger Fees, for anyone that is impacted by the influx of cruise ship visitors. Page fifteen of the agenda packet shows last year's requests. Docks & Harbors normally gets about \$400,000 of Marine Passenger Fees each year to help pay for operations of the cruise ship docks.

Public Comment – None

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Board Discussion

Mr. Wostmann asked about the new real time current sensors and weather monitoring request. It looks like one of our sensors has failed and he wanted to know if that affects the Port operations.

Mr. Uchytel said there is currently \$17,000 in a fund from a few years ago. It is not enough for us to replace the failed sensor and have a spare. This sensor needs to be replaced before the first cruise ship in May 2022. If we do not receive Marine Passenger Fees for it, we will need to pay out of the Dock fund.

Mr. Ridgway asked if the additional personnel for port call access was for the presentation Mr. Hinton gave about added personnel for U.S. Coast Guard security changes. He also asked if there was a possibility to ask for UAS property funds out of the Marine Passenger Fees.

Mr. Uchytel said it is hard to be sure how much the cruise industry uses the UAS property. Occasionally they will use it for lightering vessels.

Mr. Becker said they would do periodic maintenance on the lightering vessels there. He feels it is a need of theirs that cannot be ignored.

Mr. Schaal said there is currently two sensors down. One sensor offline is at the end of the Cruise Ship Dock that shoots down the channel. There is also a sensor at the end of the AJ Dock that is offline. When a sensor goes down it takes months to replace, so a spare on hand is vital.

Public Comment – None

3. Ordinance Authorizing Docks and Harbors to Execute a Reservation Agreement with Private Dock Owners

Mr. Uchytel asked everyone to see page 23 of the agenda packet. Port staff was noticing the lack of use of the Seadrome Dock owned by Goldbelt. We reached out and offered to help run the reservation part of their dock. We knew when we were full on the IVF and turning yachts away they were not connecting with the Seadrome Dock as another option. Mr. Uchytel realized we did not have an ordinance giving Docks & Harbors the authority to make reservations on a private dock within the Borough. Last year we ended up getting temporary approval from the Assembly. Goldbelt thought Docks & Harbors did a great job on the reservations and would like to set up a permanent agreement for the future. Last year we collected \$17,000 in revenue from the Seadrome Dock. Docks & Harbors was able to keep 30% of the revenue. The ordinance draft language is on page 25 in the agenda packet.

Mr. Becker asked if the ordinance was for another one year, or five year deal.

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Mr. Uchtyl said if we go with the drafted ordinance we could take reservations on private docks going forth forever.

Mr. Ridgway asked if Mr. Uchtyl foresaw any issues with the ordinance and wanted to make sure it was not Goldbelt specific and we could take reservations for any private dock.

Mr. Uchtyl said it is not Goldbelt specific but he did run the ordinance by Goldbelt staff and they did not see any issue with the language.

Mr. Grant asked about paragraph (b) (3) **Compensation.** Docks and Harbors shall receive fair market value for its services which shall be determined by the Docks & Harbors Board. Does the 30% live up to this language? He believes there needs to be a more accurate calculation on what the services are worth. His suggestion was taking it back to the Law Department and creating a looser definition.

Mr. Ridgway asked if we could reword the language to Docks & Harbors shall receive fair market value for its services which shall be determined by staff.

Mr. Grant said he thought that could be a solution and he would be fine with that language change. If the rates and value is left up to the Board we would need to do research and make sure the rate was accurate.

Mr. Uchtyl said it might be more appropriate to say rates set by the Port Director, not just staff.

Mr. Ridgway agrees the Board does not need to be a part of this ordinance and has faith the Port Director can establish the rate.

Public Comment – None

4. CY22 Port Staffing Needs

Mr. Creswell said at the last Finance Sub-Committee meeting Mr. Hinton provided a detailed presentation on the needs for security and port personnel next season. We manage the Cruise Ship Dock (CT), Alaska Steamship Dock (AS) and the Port Field Office Dock (PFO). Next year we are projecting 295 large cruise ship at the CT and AS Docks and 55 additional cruise ships to use the PFO Dock for lightering purposes. We are required by the Maritime Transportation Security Act (MSTA) to have a U.S. Coast Guard approved security plan. Effective April 2021, there was a new requirement put in place for cruise ship ports that we must provide dual identification verification for every passenger. This change has drastically changed our personnel needs. If a passenger does not have two forms of identification we are required to escort them down to the ship and verify with the ships security for their identification.

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Mr. Creswell said based on the anticipated passenger count for the 2022 season he needs to add an additional 14 part-time limited Harbor Technicians. He would also like to increase two of our Harbor Officers from a .50 to a .67 FTE, basically taking them from a six month position to an eight month position. Mr. Hinton needs help from these officers earlier than normal while he goes through the hiring process and getting everything ready for the season. That is about \$250,000 needed to fund these extra positions and FTE changes. He said the Port Director is also asking for some Marine Passenger Fees to assist with this increase.

Committee Discussion

Mr. Becker said this change might only be a one year deal depending on how the cruise ship industry handles their identification processes. Princess Cruises already has a medallion process that saves a significant amount of time.

Mr. Creswell said the medallion process is faster, but if they do not have the medallion or there is a problem you still must escort them to the ship for verification through their security team.

Ms. Smith asked if anyone thought there would be a problem with the Unions going with such a large number of part-time limited positions.

Mr. Creswell said CBJ uses part-time limited employees often, especially at the pools and throughout Parks and Rec. He does not anticipate any issues.

Mr. Uchytel reviewed the deficits and losses due to Covid for FY21 and FY22. He spoke about these additional employees and how they are needed whether we get Marine Passenger Fees or it comes out of our fund balance.

Mr. Ridgway asked if this would be a good time to ask the Assembly to raise the Port Development Fee.

Mr. Uchytel said that fee was for brick and mortar infrastructure. It might be hard to raise it and use it for personnel and security. He also said this is the definition of an unfunded mandate. We must do this and there is no compensation for the increase of costs associated.

Public Comment

Mr. Kirby Day, Juneau, AK

Mr. Kirby Day said he found out Holland America is also working on a facial recognition program like the Princess medallion process. If these systems are found to work he wants to go to the U.S. Coast Guard and ask for a waiver for the need of a second piece of identification.

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IX. Staff & Member Reports

1. Harbor Rates Study Selection Committee meets tomorrow to conduct two – one hour interviews.

Mr. Leither said he unfortunately was unable to be a part of the selection committee. He is hoping that the representatives we have there know, one of his priorities, and he hopes it is other peoples priorities, is to have clarity in their reporting and as much information about their assumptions and the facts that they are using as possible so we can get public opinion behind us. If they are able to give more information and more solid data, that is going to go a long ways. He hopes the committee makes the choice which reflects that.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting-**Wednesday, January 19th, 2022.**

XII. Adjournment – The meeting adjourned at 7:07 p.m.