CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 19, 2018

I. Call to Order

Mr. Eiler called the meeting to order at 5:00 p.m. in City Hall Conference Room 224.

II. Roll Call

The following members were present: Don Etheridge, Robert Janes, Budd Simpson, David McCasland, Dan Blanchard, Jim Becker, Bob Wostmann and Weston Eiler.

Absent: Mark Ridgway

Also present: Carl Uchytil - Port Director, Gary Gillette - Port Engineer, David Borg - Harbormaster and Matthew Creswell - Deputy Harbormaster.

III. Approval of Agenda

MOTION By MR. ETHERIDGE: 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 Wednesday, August 22, 2018 Operations/Planning Meetings Minutes

MOTION By MR. ETHERIDGE: TO APPROVE THE AUGUST 22, 2018 MEETING MINUTES AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Consent Agenda - None

VII. Unfinished Business – None

VIII. New Business – None

IX. Items for Information/Discussion

1. Bylaws Revision Review
   Presentation by the Port Director

Mr. Uchytil said past Board Chair Mr. Tom Donek suggested Board members look at the Bylaws and update them. The last update on the Bylaws was in 2014. This was brought to the OPS committee meeting to help Board members understand what is in our Bylaws and if we want to make any changes. The Bylaws and Title 85 review on the agenda can be tedious. The Board members should be the ones requesting changes to the ordinances and not staff. A copy of the Bylaws and Title 85 was provided at the last Board Meeting as well, so hopefully everyone had a chance to review them. We have ordinances and non-code regulations; and any changes we make to ordinances (Title 85 and the Administrative Code) require Board approval and Assembly approval. The way we've typically done changes to ordinances and regulations in the past is by special committee. Once the special committee determined the changes they wanted, they took it to the OPS Committee and then the regular Board for final approval. Throughout the process staff works with law to make sure that anything changed is consistent with law and the city constitution. Before the Board adopts the proposed regulatory/ordinance change we have a public meeting. The public meeting is advertised in the newspaper stating what the meeting is about and any interested persons can look it up online, get a copy of changes at Docks & Harbors or at any of the public libraries. The public hearing for the change(s) would be at a regular Board Meeting and then any changes we adopt would be sent to the Assembly for their final approval. The Assembly also has their own process in approval of these changes. This is a base line of the changes as we move forward. Title 85 is really the governing ordinance of what the Board is supposed to do.

Mr. Uchytil said in his opinion, the Bylaws under Article II, Board Membership and Appointment as well as Article III, Officers, does not need any changes.

Mr. Uchytil said when he was first hired as the Port Director we had four meetings a month: Planning Committee Meeting, CIP Committee, Operations Committee and a Board. We had four meetings a month and now we have two which is a Combined Committee Meeting and a Board Meeting. We combined the standing committees and that leaves us without a separate Finance Committee meeting. How should this be address in our Bylaws? Should we delete the Finance Committee all together or leave them combined under the Operations/Planning Committee? Under Article V, Meetings, it states under regular meetings, the Board shall meet at least once a month. What happens if the Board does not meet? These are the items that Mr. Tom Donek said needed addressing under the organization.

Mr. Eiler asked if members would like to proceed with questions now or at the conclusion of Mr. Uchytil's presentation.

Mr. Uchytil continued with areas of concern.

Mr. Uchytil

- Special Committees
- Meetings – Regular Board meetings
- Under Article V. Meetings on page 3 of 8 under Article V. Meetings number 1 - Regular Board meeting. "The Board may act on any matter within its authority at a regular or annual Board meeting whether or not such item was identified in the notice of the

meeting. Mr. Uchytil said he finds this strange that it reads this way. We advertise for CIP and Board meetings, can we still add something that's not on the agenda at the meeting.

- Excused Absences
  There is a little confusion under the Bylaws and Title 85. We can talk about this more later.

- Adjournment, Continuation and Postponement of Meetings.
  If a quorum is not present at a meeting, the Chair or committee Chair may adjourn such meeting to a time and place he or she determines most appropriate. I believe the "may" should be a "shall." If a quorum is not present can you continue and talk about non-action items? Also, if a quorum is not present at a meeting, such meeting may be continued or adjourned from day to day and no additional notice of such continuation or adjournment need be given.

- Order of Business
  This could be changed if the order does not currently work.

- Telephonic Participation.
  Does this section need to be so lengthy and detailed?
  "Participation by the telephone shall be allowed only for regular, special, or committee meetings of the Board." So should telephone participation not be allowed for an executive committee meeting?

- Appeals to the Board.
  Do we need or want a formal appeals process for those that are not happy with the decisions of the staff and Port Director?

- Additional Provisions.
  Indemnification of Directors and Officers (Board Members).

Mr. Eiler said this is very helpful to both new and veteran members, and that it is important the Board be prepared to exercise provisions of our Bylaws should the need arise. He highlighted the following items for discussion:

- Finance Committee
- Addition of Agenda items
- Excused Absences
- Quorum
- Board Elections

He continued, saying action does not need to be taken today, but that there should be discussion on these issues in the future.

Mr. Janes said in regards to standing committees, he thinks we need to go to a Committee of the Whole meeting instead of taking out the Finance Committee. Docks and Harbors finances are discussed at Board meetings where public input is received and finances can also be discussed at a Committee of the Whole meeting. He said he believes it is important that we don't obscure financing out of our radar.

Mr. Wostmann said he has a slightly different point of view. He thinks a Finance Committee is very important. There is a lot of detail involved in looking underneath the numbers and why the numbers are what they are. It can take up an awful lot of time. It seems to be more effective with a small group that is interested or has more experience and background to go through financial detail first and then bring it to the whole committee. It seems to be more efficient and quicker that way.

Mr. Janes said one of the reasons we have not held Finance Meetings is because of our current structure. Our Committee as a whole, staff, and Mr. Uchytil really fine tune things down so we don't have anything to do in our Finance Committee.

Mr. Eiler commented that staff does a good job briefing the board on department finances, which has lessened the need for Finance Committee meetings. He asked openly whether the committee should take a more granular look at our budgets, cost drivers, and business planning.

Mr. Simpson said we should keep the Finance Committee on the books so we can have meetings if necessary with a smaller committee.

Mr. Etheridge concurs with Mr. Simpson.

Mr. Becker said he would like to understand all the finances of Docks & Harbors as well as their fees and collections. He would like to know why the fees are what they are formally and what is being suggested about not having a standing finance committee and what information I can get from Mr. Uchytil. This is a much bigger operation than most people realize.

Mr. Eiler opened the topics of meeting procedure and attendance for board discussion.

Mr. Eiler brought up the issue of quorum for conducting business, and asked Mr. Uchytil to restate his comments.

Mr. Uchytil said we do keep track of attendance. It is very rare that we cancel a meeting. We did cancel in July 2018. In regards to excused absences, page 27 in your packet under Title 85. This is how the Board governs itself. In regards to attendance, Title 85 under 85.02.030 – Vacancies number three, four and five outlines if a member fails to attend regular Board meeting. The forty percent only applies to Board Meetings, not committee meetings.

Mr. Eiler brought up the issue of quorum for conducting business, and asked Mr. Uchytil to restate his comments.

Mr. Uchytil said he understands from law if you don't have a quorum you can't do anything.

Mr. Wostmann asked what the basis for this is. In the private sector, you can continue a meeting you just can't take action. Is there a difference in a public meeting?

Mr. Uchytil, if you don't have a quorum you may be in violation of the Open Meeting Act. You can't have more than three people together without being in violation of the Open Meeting Act. If you can't take action, then you can't have a presence together.

Mr. Simpson said the reason it says "may" is if you don't have a quorum this is how a legal action can be taken. An adjournment is an actual action of the meeting and so this is just giving the Chair permission to legally adjourn a meeting where there is not a quorum and you can't do anything else.

Mr. Etheridge asked if we don't have a quorum can we even call a meeting to order.

Mr. Eiler directed members to the Board's Bylaw dealing with elections, and asked about the procedure for transition and elections.

Mr. Uchytil said at the last regular Board meeting, Mr. Etheridge should have appointed you Chair of the OPS Committee rather than having a nomination.

Mr. Wostmann asked why you can't participate by phone for an executive session.

Mr. Uchytil said an executive session is not a meeting.

Mr. Eiler opened the floor for final questions or discussion on the Bylaws. He suggested staff bring forward proposed revisions at a future meeting, and encouraged members to review the Bylaws.

Committee Discussion/Public Comment

Mr. Watson, Juneau, AK has a question on page 4 regarding annual board meeting. He said he doesn't recall any meetings being called an annual board meeting.

Mr. Uchytil said the annual board meeting is the Board meeting in July.

Mr. Watson had a question on appeals. If you don't have a process and I were to disagree with a decision how could I appeal to the Board? Why don't you have a formal process like the city code calls for one?

Mr. Paul Swanson, Juneau AK, this is not necessarily in the Bylaws. This is a standard complaint I have. I don't feel it's fair that harbors can double dip fees when my boat is out of the harbor for six months. The harbor is allowed to put another boat in my slip for the winter and

then charge them for the same rate that I am already paying. I just don't think that is proper and if I were in a house I couldn't do that. I think the board should address this at some time.

Mr. Becker said other people have also mentioned that to him and that he would like to have a discussion about this at some point as well. Not necessarily tonight.

Mr. Eiler asked Mr. Uchytil if this was in the Bylaws.

Mr. Uchytil stated that it is in our Regulations.

Mr. Etheridge said he has sat through several meeting where we have discussed this issue and it was determined that the rates would have to be increased overall if harbors did not hot berth boats. If someone wanted their stall to remain empty when they weren't using it they would have to pay more to do so. The extra income is very important to harbors to keep the rates at the level they are now. This helps offset the cost of operations.

2. Title 85 Revision Review
Presentation by the Port Director

Mr. Uchytil read 85.02.010 – Board of Directors.

- Explains who the Board is.

85.02.045 – Coordination under (b).

- Mr. Uchytil said was not sure what the intent of this is.

85.02.050 – Membership associations.

- The Alaska Association of Harbormasters and Port Administrators
- Pacific Coast Congress of Harbormasters and Port Managers
- American Association of Port Authorities

85.02.060 – General Powers - specifically (4) (A), (B), (7) (A) & (C) needs updating.

- At one point harbor employees were not City & Borough of Juneau employees
- They were not on the same pay scale as city employees. A separate contract was negotiated with Harbors than the city. It caused some anxiety with Harbor employees and Harbor employees complained they were being mistreated so the Assembly removed authority from Harbors and put it under CBJ.
- Human Resources needs to annually certify that Harbors conforms to what is utilized for employees of the City Manager. We are not currently doing this.
- We are represented by CBJ legal department.
- We must go to the Assembly for any purchases exceeding $100K. No other CBJ department has to do this.

85.02.063 – Land Management plan.

- We do not have a land management plan. We do things and we have plans but not under the exact regulations as written by 85.02.063. This is a very high standard to meet. It would have to be contracted out.

85.02.065 – Limitation on authority.
- The City appropriates money for projects. Not sure why the language is written like it is.

85.02.070 – Reserved
- n/a

85.02.080 – Port director designated; appointment.
- No one consults with the City Manager on the Port Directors evaluation.

85.02.100 – Schedule of fees and charges.
- No discussion

85.02.105 – Port dues.
- Mr. Uchytil has asked for help in understanding port dues.
- The previous city assistant attorney did not understand it.
- All of our fees and dues need updating.
- Legal advised us not to do anything at this time.
- (c) Port dues are not head tax fees. Not sure we have a Port Development Fund.

85.02.130 – Employee Relations
- The Docks & Harbors Board does not ratify any collective bargaining agreement.
- The Port Director along with other City Directors meets with the HR Director to negotiate with the rest of the City departments and MEBA. It does not only apply to Docks & Harbors.

Mr. Eiler noted this is a very tedious process and he thinks it's worth examining all these revisions.

Committee Discussion/Public Comment –

Mr. Eiler suggested that staff identify provisions of Title 85 which are out of date and that need revisiting. Perhaps, at a future meeting they can come back with proposed changes before the end of the year.

Mr. Wostmann said he would support reviewing and addressing these issues.

Mr. Uchytil agreed to go back through the Bylaws and Title 85 and make the presentation and proposed changes.

3. Strategic Implementation

Presentation by the Port Director

Mr. Uchytil said he has been hearing a lot about strategic planning that we do once a year. The request has been to do more ongoing strategic planning, so that is what he wants to do today. The first thing he wanted to point out is a power point presentation. When we are talking about big ideas and planning in the Southeast. Some highlights are populations in the SE are declining and have been for the last three years by about 1600 people and our seafood industry has been struggling. A bright spot is our tourism is predicting 1.36 million cruise ship passengers in 2019. That's 60K more than what was anticipated. I think we are pushing $100 million in tourism industry wages.

The Southeast's maritime community makes up twenty four percent of all employment in the private sector. Fishing and seafood processing is down twelve percent in the last three years, tourism is up eighteen percent. Ship building is up forty one percent.

Mr. Uchytil said that it is good as a Board when are thinking big thoughts and strategic planning what the value is in Maritime.

Mr. Uchytil said that we are a member of the Pacific Coast Congress of Harbormasters and Administrators. This is the presentation I gave a year ago. There is a link to this on the latest agenda. These are national numbers and I think the things we know, and the things we need to think about - what do we do to keep our harbors full, we need to keep our eye on the ball when demographics change and boating changes, what are we going to do. How do we keep our harbors healthy? What are we going to do to keep boaters in our Harbors? We know that fishing and boating are key factors. Whale watching is a growing market. Hunting is down nationwide. Harbors and marinas are different throughout the country. If you've been to one Harbor, you've been to one Harbor. Some are struggling to fill their slips. Juneau has struggled with boats wanting to be in Auke Bay not downtown.

Jennifer Shinn said we have a very short waitlist for downtown and for specific size boats in the forty two to forty eight food range.

Mr. Uchytil went on to say that this also reflects the economy. He would like the Committee to think about the increasing age of boaters. In 2015 the average age of boaters was 55; in 2000 the age was 40. We must be thinking about age of boat owners and how to collect revenue. In 2000, 2.9 percent exited the boating community and only 2.4 new boat owners. The decrease was even more pronounced in 2017.

Mr. Eiler asked if the stats are for the Pacific Northwest or nationwide.

Mr. Uchytil said that the stats are nationwide. More people want to sell their boats. Millennials want paddle boards and kayaks.

Mr. Becker said that homeownership has the same issues with declining ownership. Millennials don't want to be tied down.

Mr. Uchytil said we need to be thinking about in years when we are strategic planning.

Mr. Eiler asked how much work do we have coming up.

Mr. Gillette said in the next three months not that much. We are moving forward on the Archipelago Project.

Mr. Uchytil said we have dredging projects coming up.

Committee Discussion/Public Comment

Mr. Janes said he had a citizen ask him today if he had heard the Archipelago retail part would be done in 2020. How can we answer these questions?

Mr. Eiler inquired about the timing of the Board's next strategic meeting, and asked Mr. Uchytil to poll members to check availability.

4. Staff & Member Reports

Mr. Uchytil reported he was questioned by a board member if there were any late passenger for hire fees. The charter operators have a head tax in Auke Bay of $1.50 head tax for every passenger that uses our Auke Bay docks. We have one company that is two weeks late. Everyone is else paid up; we have collected $115K in head tax fees through the end of August.

Staff hosts post season meetings every year. Next week there will be a meeting on Wednesday at 5:30pm at the Fish House for charter operators. We will talk about operators and how to make things run smoother. And talk about Stater Harbor Phase III. Thursday at 10:00am is the meeting for the waterfront vendors and at 11:00am will be with the transportation vendors meeting. Staff will make a presentation on the Archipelago project in the Assembly Chambers.

Mr. Eiler asked for an update from those meetings to be presented at a future meeting.

Mr. Uchytil noted that the zinc anodes at Aurora Harbor are currently being installed.

Mr. Gillette reported that staff has applied for all city permits required for the Archipelago Project. The project is scheduled to go in front of the Assembly on November 17. We are moving forward with our design and permitting. PND has the bid package almost ready to go. Our strategy is to have everything in place so when we get the IHA for marine mammals we are ready to go. To address Mr. Janes question about the original intent of the partner developer was to be able to open their stores in May of 2020.

Mr. Borg reported staff is working toward winter preparation. They have made lots of progress on repairs and decked over the old lightering float. We are making improvements and moving

things around. The net float is at Norway Point. The ABMS Float is being worked on as we speak to fix some issues that have come up with the float. There are still some adjustments that need to me made.

Mr. Becker has a resolution he would like everyone to look at. He is a member of DIPAC and they are working on a statement of enhancement for the salmon industry. The whole industry is being challenged.

Mr. Etheridge wants to know if the resolution will be presented to the Assembly.

Mr. Uchytil wants to know what the time frame is and what is driving the resolution. What is the concern of the resolution? This all looks to pertain to the hatchery.

Mr. Becker said the projection at the DIPAC is going to be restricted greatly without help. It would be nice if Juneau would adopt this resolution.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, October 17, 2018.**

XII. Adjournment- The meeting was adjourned at 7:15pm.