CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
Wednesday, March 9th, 2016

I. Call to Order

Mr. Simpson called the meeting to order at 5:00 pm in City Hall Room 224.

II. Roll Call

The following members were in attendance: Tom Donek, Robert Janes, and Budd Simpson.

Also in attendance were: David Borg – Harbormaster, Gary Gillette – Port Engineer, and Carl Uchytil – Port Director.

Absent: John Bush and David Summers.

III. Approval of Agenda

Mr. Uchytil said VIII. New Business 2. IVF Needs and Expansion of Usage Options needs to be combined with Information Items 1. Future of IVF and New Dock – Competing Interests, Longer Range Plan, Usage options. VIII. New Business 3. CPI Adjustment needs to be combined with VIII. New Business 1. Moorage Rate Proposal.

MOTION By MR. JANES: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

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

V. Approval of Wednesday, February 10th, 2016 Operations-Planning Meeting Minutes

MOTION By MR. DONEK TO APPROVE THE Wednesday, February 10TH, 2016 OPERATIONS-PLANNING MEETING MINUTES.

The motion passed with no objection.

VI. Consent Agenda – None.

VII. Unfinished Business

1. Enforcement Regulation for User Fee Collection (Passenger for Hire Non-Payment Issue)

Mr. Uchytil said if you turn to page 16 of your packets you will find the Passenger for Hire (PFH) non-reporting and non-payment penalties proposal. Staff has difficulty with some PFH boat operators providing their reports and paying on time. This proposal is to support administrative staff in collecting the reports and payments. Pages 17 and 18 show what the law department recommends.

Committee Questions – None.

Public Discussion – None.

Committee Discussion/Action

Mr. Janes said I recommend we move forward with this. It is not burdensome for the businesses to submit the reports and payment monthly. Let's give staff this tool to help in collecting the reports and payments.

MOTION By MR. JANES TO FORWARD THE PASSENGER FOR HIRE NON-REPORTING AND NON-PAYMENT PENALTIES PROPOSAL TO THE FINANCE COMMITTEE AND RECOMMEND MOVING FORWARD AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

VIII. New Business

1. Moorage Rate Proposal

Mr. Uchytil said the suggested motion states that the Operations Committee should recommend that the board exercise its option to not allow moorage fees to be adjusted by the CPI for the period of July 2016 through June 2017. For subsequent CPI adjustments; adjust Aurora, Harris, and Douglas fees by the applicable CPI percentage and adjust Statter fees by the dollar amount applied to the Downtown Harbors. Allow a 10% discount on 12 month advance payments and 5% discount on 6 month advance payments. Leave the IVF/reservations rates as is and ask unanimous consent.

This suggested motion could be separated into several smaller motions. I recommend in the future we separate motions by regulation to make it easier. It was recommended by the Fee Review Committee the Board waive the CPI increase for FY17. The adjustment would be 0.5% for FY17.

Mr. Simpson said waiving the CPI adjustment for 1 year does not affect any of the regulations because it is already in the regulation that we have that option. So, that does not need to be separated out. Since Statter Harbor costs more than the downtown harbors when we apply the CPI the Statter rates raise by a higher dollar amount than

the Downtown rates; which is why it was recommended we adjust the downtown rates based on CPI and adjust the Statter rates by the same dollar amount the downtown rates increase.

Committee Questions – None.

Public Discussion

Dennis Watson of Juneau, AK
Mr. Watson asked with the new launch ramp and parking at Statter Harbor will the operating cost increase. I remember when DeHarts Marina opened you were charging the equivalent of a fulltime employee to track the activities. Look at the anticipated operating costs and determine if there is enough money to cover the expenses. Next year we might see a higher increase because of the operating costs.

Paul Swanson of Juneau, AK
Mr. Swanson asked are the Statter moorage rates raising $0.05 and can I pay for 6 months and receive the 5% discount.

Mr. Simson said paying in advance for 6 months will get you a 5% discount.

Jennifer Mejia of Juneau, AK
Mrs. Mejia said the new fiscal year's rates are not approved until 3 months or less before the fiscal year begins. Staff cannot invoice for moorage six months in advance if we do not know what the rates will be for that period. Currently patrons have to prepay for the entire fiscal year before the fiscal year begins (July 1st), but after we know the new rates in order to receive the discount (no sooner than mid-April). If someone came in today and wanted to prepay for 6 months or a year I would not know what to charge them.

Mr. Simpson said you can take the payment for the current rates and offer a rebate if it turned out to be less or send them a bill if it turns out to be more.

Mrs. Mejia said we could do that and keep track of who paid, but if we had staff turnover the patrons who prepaid might fall through the cracks.

Mr. Uchytil said I assumed we were referring to 6 months from July 1 – December 31, and January 1 – June 30. Not just any 6 month period.

Mr. Simpson said I don't think we specified which 6 months.

Drew Maples of Juneau, AK
Mr. Maples said I read this as any 6 months advance payment will receive a 5% discount.

Committee Discussion/Action

Mr. Simpson said the rate sheet needs to be updated to show the updated rates.

Mr. Donek said the purpose of this is to make it easier for administrative staff. Set the dates from July 1 – December 31, and January 1 – June 30 and that should solve the issue. We need another line or two added to the rate sheet showing the new 6 month discount and the date ranges of July 1 – December 31, and January 1 – June 30.

Mr. Simpson said I agree. Also, the rate sheet needs to be updated to show the updated rates and dates.

Mr. Janes said $0.05 is a modest increase for Statter Monthly Moorage. I think we should consider accepting this rate this year. This will help us prepare for more tumultuous times.

Mr. Donek said for many years we have not increased other fees yet we have increased the daily and monthly moorage rates. This would help to even that out and give our locals a bit of a break.

Mr. Simpson said there was discussion about reducing the downtown rate, but that idea didn't get much support. The idea of raising the Statter Harbor monthly rate by the same dollar amount that the downtown rates increase annually was the compromise.

Mr. Donek said there are 4 parts to this motion. I will split the motions up.

MOTION By Mr. Donek TO RECOMMEND THAT THE BOARD EXERCISE ITS OPTION TO NOT ALLOW MOORAGE FEES TO ADJUST BY THE CPI FOR THE PERIOD OF JULY 2016 THROUGH JUNE 2017 AND SEND TO THE FINANCE COMMITTEE AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

MOTION By Mr. Donek TO RECOMMEND THAT THE BOARD FOR SUBSEQUENT CPI ADJUSTMENTS, ADJUST AURORA, HARRIS, AND DOUGLAS FEES BY THE APPLICABLE CPI PERCENTAGE AND ADJUST STATTER FEES BY THE DOLLAR AMOUNT APPLIED TO THE DOWNTOWN HARBORS AND SEND TO THE FINANCE COMMITTEE AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

MOTION TO RECOMMEND THAT THE BOARD ALLOW A 10% DISCOUNT ON 12 MONTH ADVANCE PAYMENT FOR PAYMENTS MADE FOR THE FY MOORAGE BEFORE JULY 1ST AND 5% DISCOUNT ON 6 MONTH ADVANCE PAYMENTS FOR PAYMENTS MADE BEFORE JULY 1ST FOR JULY 1-DECEMBER 31ST MOORAGE AND FOR PAYMENTS MADE BEFORE JANUARY 1ST FOR JANUARY 1-JUNE 30TH MOORAGE AND SEND TO THE FINANCE COMMITTEE AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

MOTION By Mr. Donek TO RECOMMEND THAT THE BOARD LEAVE THE IVF/RESERVATION RATES UNCHANGED AND SEND TO THE FINANCE COMMITTEE AND ASK UNANIMOUS CONSENT.

The motion passed with no objection.

2. Live-aboard Parking at Statter Harbor

Mr. Uchytil said you will find the letter from Drew Maples in your packet. Mr. Maples is a live-aboard in Statter Harbor, but he is not assigned moorage. As policy we have provided parking at no cost to the Statter Harbor assigned stallholders. Mr. Maples pays $69.00 monthly for the live-aboard fee. He will be charged $5.00 per day for parking. We do have the new rate of $100.00 per month for a limited amount of spaces. That's mostly for the Shelter Island patrons and fishermen. There are 11 boats that have live-aboards year-round. This summer we are offering free parking at the University of Alaska Southeast and at Auke Bay Elementary School. We might be able to offer those free options in the future too. We do have additional uplands available this summer now that the boatyard has been moved and we have not started construction for the bus drop-off.

Mr. Borg said the live-aboard fee is $69.00 a month whereas parking would cost $150.00 per car for a month. I anticipate patrons claiming they are live-aboards to save money if we offer live-aboards a discount on parking.

Committee Questions

Mr. Donek asked will all the parking spaces be paid parking except for the assigned stallholder spaces.

Mr. Uchytil said yes.

Public Discussion

Drew Maples of Juneau, AK

Mr. Maples said I have been a live-aboard in Statter Harbor since DeHarts was moved over. I recently upgraded my boat, but it's too long for the 32 foot assigned stall I had. Now I'm back to being transient in Statter Harbor. I am on the waitlist for a 42 foot assigned stall. Every other harbor in Juneau has free onsite parking; Statter Harbor is the only harbor that has paid parking. I recommend live-aboard boats receive one parking space. The uplands from the old boatyard do not have a designated use this summer. A good use for that site would be for live-aboard parking. Even with the new $100.00 a month I am not guaranteed a space. When I go shopping and come back I might not find a parking space. I don't know how to deal with the potential problem of patrons claiming to be live-aboards to get cheaper parking. It's not currently a problem and it might not become a problem. Parking will cost me $1,500.00 for the summer because between me and my partner we have 2 cars. Statter is the most expensive harbor in the system.

Dennis Watson of Juneau, AK
Mr. Watson said I have an assigned stall at Statter and receive a parking pass for the DeHarts area that has 20 parking spaces. There are times when I've gone to Statter on a weekend and I can't find a place to park in those 20 parking spaces and I have to pay to park or walk from one of the schools. It's life. I also recommend the Board look at how many live-aboards they want to allow in Statter Harbor. They are taking up a lot of space and are there year-round.

Mr. Maples said I am asking for the same consideration you give to assigned stallholder for parking given to live-aboards. You don't have to specify a specific space for each live-aboard.

Mr. Uchytil said at the next Harbor Fee Review Committee meeting we will be discussing the live-aboard fees. The possibility exists to look at implementing a downtown live-aboard fee and a separate Statter Harbor live-aboard fee. We can look at including parking costs in the Statter Harbor live-aboard fee.

Mr. Donek asked Mr. Maples, do you pay for the year.

Mr. Maples said no, we pay monthly and are on auto-pay.

Mr. Donek said you are not taking advantage of the discount.

Mr. Simpson asked Mr. Maples, do you have to move your boat in the summer time.

Mr. Maples said yes, every 10 days. My policy with my partner is that we don't worry about it. There are times we have to move to the Breakwater, but we deal with it.

Mr. Simpson asked Mr. Maples, why do you choose to be at Statter Harbor.

Mr. Maples said my partner Laurie works at the University, and it's a much nicer area.

Mr. Watson said there are only 20 parking spaces set aside for all the assigned stallholders.

Mr. Donek said in the busiest marinas, on average, only 28% of the boats are out of the marina. That is one of the reasons why there are 20 parking spaces set aside for the assigned stallholders. This is also how many marine designers plan parking spaces.

Mr. Maples said parking is a problem. The uplands provide more space for parking this season. You can revisit the parking topic again after this season. Live-aboards are paying more at Statter than any other harbor and we're paying for parking too.

Mr. Simpson asked why are live-aboards at Statter Harbor different than any of the other users.

Mr. Maples said I am paying a live-aboard fee of $69 per month. If people are claiming to be a live-aboard to get the parking spaces you can require them to be on the waitlist to show they are serious about getting a space at Statter. I am a long-term patron and I am not getting the same services that every other harbor is providing. I am paying more for moorage. It's a lot to require live-aboards with two cars to pay $1,500.00 for summer parking.

Mr. Borg said the patrons with breakwater reservations who rent a vehicle are required to pay for parking too. People have options. There is moorage space available downtown with free parking. The live-aboard fee covers trash, water, facility usage, and wear and tear. In Seattle people pay $350.00 a month to park their cars in a parking garage.

Mr. Janes said I am also a longtime user of Statter Harbor. I pay about $40,000.00 a year to use the facility to load passengers quickly. I go there at least 5 times a week and I pay to park if I can find a space; otherwise I have to walk from one of the schools. I recommend we give Dave the authority to manage the lots as he sees fit. One of the only ways to regulate the lots is to charge.

Committee Discussion/Action

Mr. Simpson said Statter is meant to be for transient users. It's always packed with boats. I am surprised there are live-aboards in Statter. I understood it to be for transient users other than the assigned spaces. We have places in our system we have designated to live-aboards because they are more difficult to have access to. Most of those places have free parking. Making living-aboard in Statter easier does not seem

like a good solution. Maybe when we look at the fees we can deal with the live-aboard topic at Statter Harbor.

Mr. Janes said there are boats in Statter Harbor with people living on them that are not capable of going out beyond Auke Bay and surviving anything. I do not like that for Statter Harbor. It is just becoming a cheap subdivision rather than a live-aboard that uses their boat for recreational purposes.

Mr. Simpson said that is a distinction we can make too; is it a boat you can use recreationally or is it just for living on?

Mr. Janes said this year is going to be a year of discovery for us with the new parking lot. We do not know how this is going to fall into place. I recommend giving Dave the authorization to manage the boatyard as he sees fit for this season.

Mr. Donek asked is the old DeHarts lot set aside for the Statter Harbor assigned stallholders.

Mr. Borg said yes 20 parking spaces. Doug Unruh and I are looking at how best to manage the site for the summer parking. The construction crew wants to store the floats in the area until mid-May, so that will take up space. There will be designated parking spaces for the Statter Assigned Stallholders in the new parking arrangement too.

Mr. Simpson asked is the parking fee in addition to the launching fee.

Mr. Uchytil said yes, same as it is now. You pay to launch and you pay to park.

Mr. Borg said we will offer a $100.00 per calendar month option for parking, but we will be limiting the amount of those we are going to sell. We've always planned on opening the uplands for parking this season.

Mr. Donek said I do not want to start something this year as an interim thing because trying to pull that back next year would be difficult.

Mr. Simpson said I am not in favor of providing free parking spaces at Statter Harbor.

Mr. Borg said if we do not charge for parking the area would become long-term free storage which is what we are trying to avoid.

Mr. Janes said I recommend closely monitoring the parking situation at Statter Harbor. If the parking is under-utilized we can look into offering the live-aboards a parking area at a lower cost.

Mr. Borg said our parking machines offer useful feedback.

3. Nordic Tug (Alaska Memories) Sublease Application

Mr. Uchytil said we lease this property from the University of Alaska and we sublease to Nordic Tug (Alaska Memories). They have a small shed on the property. The current lease is for 5 years with options to extend the lease in 3 year increments. I recommend we extend the option to renew for 3 years. The lease payments are 10% of the assessed value, which comes to a total of $4365.00 per year for this sublease. For future leases we know to base lease payments on appraised value.

Committee Questions

Mr. Janes asked when is the master plan scheduled to be complete and how will that shed interfere with the master plan.

Mr. Uchytil said the master plan will be done in October, but we won't have the funds to do anything major. Therefore we can continue with extending this lease. In the master plan we can find something suitable to replace the shed, perhaps a mix-use building.

Public Discussion

Mr. Watson said the Fuel Dock is cluttered and that is not permitted anywhere else in the harbors.

Mr. Borg said I was under the impression the way they were using the dock was part of a former agreement. The same goes with their lease for the shed. I will address this with the manager of the Nordic Tugs.

Committee Discussion/Action

Mr. Simpson said we are entitled to make conditions and ask the manager to clean up their areas.

Mr. Janes said a 3 year extension is fine, but with the master plan we may not want to renew the lease after this extension.

Mr. Simpson said inform the lessee he should not count on another extension in the future because of the master plan. The Youth Sailing Club has a connex near the Yacht Club that Nordic Tug might be able to utilize.

MOTION By Mr. Donek TO APPROVE THE SUBLEASE EXTENSION FOR 3 YEARS CONDITIONED UPON THE SITE BEING CLEANED UP AND ADVISE THIS IS THE LAST SUBLEASE RENEWAL AND ASK UNANIMOUS CONSENT AND FORWARD TO THE FULL BOARD FOR APPROVAL.

The motion passed with no objection.

IX. Items for Information

1. Future of IVF and New Dock – Competing Interests, Longer Range Plan, Usage options

Mr. Uchytil said there are an increasing number of smaller cruise ships wanting to embark to Juneau. Currently, we don't have any rates for water or trash. We have been working with Drew Green of Cruise Line Agency to find a solution. Also, we need to discuss how we want to use the new lightering float that is under construction. We have the opportunity to manage the new lightering float how we see fit.

Mr. Borg said the Intermediate Vessel Float (IVF) has been reserved by the smaller cruise ships for most of the summer. This leaves less availability for the fishing vessels. We could use the lightering float for the fishing fleet. Wilderness Explorer wants to moor at the lightering float over the winter. With regards to the trash, Cruise Line Agency takes care of their boats trash, but not all the boats using the floats are from Cruise Line Agency.

Mr. Uchytil said we will be adding 480 electric service on the lightering float.

Committee Discussion/Public Comment

Mr. Donek said we had the issue of trash come up in Statter Harbor too with regards to the bigger boats in the reserved area. Are the boats at the IVF paying the same rates as the boats in the reserved area in Statter Harbor?

Mr. Borg replied yes.

Mr. Donek said we could increase the moorage rate or we could add a garbage surcharge.

Mr. Borg said we could put the responsibility on the vessel operators to remove their trash. Skookum Yarder used to go to the boats and remove the trash.

Mr. Donek asked are the large cruise ships leaving their trash in Juneau.

Mr. Borg replied not often.

2. Boat Shelters – Longevity & Management

Mr. Uchytil said we need a plan for what happens in the next phase. Are we in charge of moving the boat shelters or are the owners?

Committee Discussion/Public Comment

Mr. Janes asked how should we manage the aging boat shelters. In the future we don't want to have to bear the cost of dealing with it because the owners are nonresponsive. Are we putting new floats under the float houses?

Mr. Gillette replied no. The new floats are going on the main.

Mr. Borg said we have no requirement for marine inspection or marine insurance.

Mr. Donek said the conditions vary wildly. Some have been completely rebuilt recently. The south wall takes the most weathering. Some of the float houses have lots of rot and are in need of repair and painting.

Mr. Janes said I recommend we look into funding for an assessment for the float houses. The need for a management plan is only going to grow.

Mr. Donek said that will go with the next phase of the rebuild. The contractor will have an inspection done on the float houses. Then it will be a requirement of the float house owners to turn the repairs of the float house over to the contractor if they want to keep it in the harbor. There is a section in the regulations that convers float houses. Within the regulations the float house owners can have 2-6 gallon cans of fuel that are not on the boat. I recommend Dave inspect the float houses. You can give the owners notification you are going to be inspecting their float houses. After all, they are in a public harbor.

Mr. Watson said there is a marina in Portland, Oregon that is similar to Juneau's float house area. The owner added a nice restaurant and fireplace in the Marina. It burned to the ground last week and had 200+ boats. Someone had fuel where they should not have had. I recommend float house owners be required to have fire extinguishers in their float houses since they are permitted to have 2-6 gallon fuel cans.

Mr. Janes asked what is Docks and Harbors liability if there is a fire?

Mr. Uchytil said we require patrons to have insurance or pay a $0.25 per linear foot per month fee. We do not specify what type of insurance they are required to provide. I recommend we require boat shelter owners have insurance that meets minimum national standards.

Mr. Gillette said I recommend we have the boat shelters surveyed when they are for sale.

Mr. Donek said the float houses are worth in excess of $1.5M. The owners are paying property taxes. Also, I recommend the Port Director and Harbormaster review the

current regulations and let us know what changes you would like to see. I do not like the idea of people living-aboard in the float houses.

Mr. Uchytil said we should consider buying the float houses, rebuilding them to our standards, and leasing them back.

3. Taku Harbor and Stockade Point Assessment

Mr. Uchytil said there is pile jacking at Taku Harbor. Fresh water is getting into the piles and freezing. This is causing the piles to jack up. It could be caused by a freshwater stream or rainwater getting in from the top.

Committee Discussion/Public Comment

Mr. Simpson asked with the caps on them, how does water get in?

Mr. Donek said the caps are pile tips that were welded on at a few points and not welded completely around. I don't think enough rainwater dripped in from the top to make this happen. I'm going to talk with PND Engineers and suggest drilling a hole in each piling below the waterline. The water would then drain with the tide and it doesn't fill above the waterline and freeze. Mr. Donek recommended to put the Taku Harbor and Stockade Point Assessment on the Finance Committee agenda to approve the cost.

X. Staff, Committee and Member Reports

Mr. Uchytil said noon tomorrow we will have a tour of the new docks. Also, there's a net float at the Auke Bay Loading Facility (ABLF) that was sold to Alaska Glacier Seafood's (AGS). We may not be able to use the net float now that it has a new owner.

Mr. Borg said the raising of the Challenger is complete. We hired most of our seasonal staff for the summer.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting – Wednesday, April 20th, 2016.

XII. Adjournment

The Operations-Planning Committee Meeting adjourned at 7:52 pm.