

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
Wednesday, January 20th, 2016

I. Call to Order

Mr. Simpson called the meeting to order at 5:00 p.m. 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: Carl Uchytil – Port Director, Dave Borg – Harbormaster, Gary Gillette – Port Engineer, and Bob Bartholomew – Finance Director.

Absent: John Bush and David Summers

III. Approval of Agenda

Mr. Uchytil said I propose we move the Loading Zone Permit from number five to number 2 under VIII. New Business.

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

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items

Paul Weltzin of Juneau, AK

Mr. Weltzin said I am the owner and operator of the landing craft Lite Weight. There are changes happening at the Auke Bay Loading Facility (ABLF) that are having a negative impact and are going to have a negative impact. I don't think many of the commercial users are aware of these changes. There are proposed changes that I hope to give some insight on and maybe make people rethink the issues. Perhaps they will find them to be unnecessary or less effective than the result that was originally intended. I was invited a year ago to a meeting in this room. The meeting was about the ABLF and concerns that the facility was not making the revenues that people thought it should. I have been researching other communities that have similar facilities, namely Petersburg and Ketchikan. I was interested in how they administer and implement rules, policies, regulations, and fees at those facilities. I will put together some information to handout as it is a lot of information to cover. I foresee a lot more conflict with the user groups because more fishermen will turn away from the ABLF due to the higher rates and instead use Statter Harbor. The ABLF was intended to ease the congestion. I know is it congested when all the fisheries are open in the summer. There is a distinct off season from November 1st to January 30th. The dock has been sitting empty recently, exempt for 1 boat. I do not speak for them. They had to repair an engine and they had a mechanic with a service truck there daily

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and up to 4 crew members that I saw. The boat was there for 22 days and their bill was \$4,000.00. They were the only vessel at the dock. I am starting to get feedback from other tradesmen. There are mechanics, welders, and shipwrights who are starting to find out about the fees and they will not use the facility. This hurts our infrastructure that supports the commercial users because it is too expensive. I did hear about a gate that will be installed at the top of the ramp and users will be charged \$5.00 per use. People do not like the idea of being charged each time they drive down the ramp. Comparatively speaking, in Petersburg their annual fee for their drive-down float is \$150.00 and you can come and go as often as you like. In Ketchikan Stall Holders do not pay extra to use the drive-down float. My invoices for 2015 totaled \$23,462.00. I know that some of my rates are going to come down, and I appreciate the consideration. The gate, with the cost to install and repair, and the congestion it will cause for traffic, is the wrong way to generate revenue from the users. It decreases the efficiency of work being done by the user groups. We will encounter more congestion at Statter Harbor and the revenues from the ABLF will decrease as less people will use the facility.

Mr. Simpson said your comments are noted and if you put it in a written memo we will consider putting it on as an agenda item at next month's meeting.

Mr. Uchtyl said I send out newsletters, put notices in the newspaper, items go to the Assembly, and I inform the community of information over the radio. Do you have any suggestions on how we can reach out to the people who claim they don't know about what's going on?

Mr. Weltzin said I am not sure. I interact with that facility more than anyone I know, and I didn't know about the new rates until I paid my bill. The posted sign at the ABLF neglects to inform the users about the tiered rates. Leaving out the \$3.00 per foot per day, which for my vessel is \$225.00. I didn't know about it until I received my first bill. The communication is ineffective. I have seen some horrific use of the cranes at the ABLF and it is wearing them down quickly.

V. Approval of December 2nd, 2015 Operations-Planning Meeting Minutes

MOTION By MR. JANES TO APPROVE THE December 2nd, 2015 Operations-Planning Meeting Minutes AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

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1. Appropriation Ordinance – Cruise Ship Berths Improvement Project

Mr. Gillette said I refer you to page 10 in your pamphlets. You'll see the spreadsheet and memo regarding the appropriation. We intend to move money from the Port Development Fees and the Dock Funds to the Cruise Berth Project. When this project was approved the intent was to add \$6 million to the project in revenue bonds, and that was delayed. We need a total of \$7.2 million, and we have \$4 million identified. The total needed includes a 10% contingency. The \$4 million should carry us through this season. Then at the start of next year we will have a better sense of what funds will be needed to finish the project, and we can ask for those funds at that time.

Mr. Bartholomew said the Assembly put together funding in 2012 for a package of projects. The new cruise ship docks were included in that package. The original cost that was approved has been funded and that cost has not been exceeded. If we need more money there is enough revenue to support that and it will be funded by the Port Development Fees. Currently the Port Development Fund is paying off the bonds we have sold.

Committee Questions

Mr. Donek asked are we going to spend the \$4 million that is being appropriated.

Mr. Bartholomew said it is there for the contingency. If we spend the contingency there are more funds available for further costs.

Public Discussion - None

Committee Discussion/Action

MOTION By MR. JANES THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE TRANSFERRING \$1.5 MILLION FROM THE DOCKS FUND BALANCE AND \$2.5 MILLION OF PORT DEVELOPMENT FEES FOR THE CRUISE SHIP BERTHS IMPROVEMENT PROJECT.

2. Loading Zone Permit Proposed Changes under 05 CBJAC 15.080

Mr. Uchytel said currently the Loading Zone permits are \$300.00 per company and \$7.00 per seat at the Port and \$15.00 per seat at Statter Harbor. The fees are paid once annually. The Dock Fee Review Committee met in December and there was a motion that we do away with the \$300.00 company fee and come up with one rate to charge for the seat fees instead of the two different rates. The recommended seat fee is \$11.50. The reason behind the motion was the fees staff provided for operating the Downtown Cruise Ship Parking Lot. The number staff provided was based on 1 Harbor Officer and 1 Harbor Technician per day and sticker costs. The estimate came

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to \$107,000.00, whereas the revenue totals \$81,000.00. The motion was made to cover the deficit of \$26,000.00. However, the costs were based on an estimate, and it is difficult to estimate what it costs to manage the Downtown Cruise Ship Parking Lot.

Committee Questions

Mr. Janes asked would the \$11.50 per seat fee be applied separately to each loading zone.

Mr. Uchytel said that is correct.

Mr. Janes asked is the per passenger fee compatible with the dock loading fees. The idea of a per passenger fee makes sense to me. It's easier to budget for and figure out.

Mrs. Teena Larson said we have to do a lot of tracking now for the passenger for hire fees. We continually ask for the reports and payment. We need a regulation in place to tell users that if they are in bad standing at the end of the season then they can't operate the following season.

Mrs. Jennifer Mejia said I would like there to be a late fee or a penalty in place for when Passenger-for-hire companies are late. Currently there are no options to charge a late fee or a penalty fee. Staff has to wait for the companies to provide their reports stating the number of passengers for each month before they can generate an invoice. Without an invoice posted on the company's account no late fees can be generated. Passenger-for-hire companies are months late and there are no penalties to discourage them from being late.

Mr. Janes said it seems like Docks and Harbors should be able to come up with a system to allow for the per passenger fees. Do you believe we have the ability, power and enforcement to put a system together so we can switch to a per passenger fee? You already have it at Statter Harbor in the form of Passenger-for-hire fees.

Mrs. Larson said it's not currently working. People are not reporting and paying when they are supposed to. We are constantly contacting them requesting reports and payment. The loading zone permits consist of more companies than the Passenger-for-hire. I'm not sure it can happen.

Public Discussion

Bill Hagevig, Division Manager HAP Alaska-Yukon (Royal Highway), of Juneau, AK

Mr. Hagevig said I think the United States Forest Service (U.S.F.S) is going to find out this summer the per passenger fees is a much wider umbrella then they are used to. When you start asking individual cab drivers for their numbers, and they are not

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used to tracking that information, it will prove to be difficult information to gather. The letter I sent you discusses how the per company and seat fee formula is already established within the City and Borough of Juneau. Companies already have to pay Juneau Police Department (JPD) a company fee and a seat fee. At JPD, regardless of your company size, you have to pay \$1,500.00 for a company endorsement, and we also pay a per vehicle fee. If you do away with the \$300.00 company fee and charge \$11.50 per seat, our company will pay an additional \$15,000.00. It would not be cost effective for HAP/Royal Highway to permit our 71 vehicles.

Mr. Borg asked if you permit fewer vehicles would that mean more cruise ship passengers would be waiting longer.

Mr. Hagevig said potentially yes. Actually that has already happened. The airport has a per vehicle fee structure. HAP/Royal Highway is not at the airport often. We came to an agreement with airport staff that instead of paying for 80 vehicles to have a sticker and permit for airport use, we would only pay for the maximum number of vehicles we would typically have at the airport at any given time. The fee we agreed on was \$4,000.00. After that the airport decided to go to a flat fee of \$10,000.00 for all companies. Since we weren't generating more revenue to match the new expense we decided against getting permitting at the airport. This created a problem because we do transport for Wings Downtown. If the weather is bad they have to land at the airport. They called us on several occasions to ask us to do a pickup at the airport. We were not able to do that because of the cost.

Dawn Wolfe of Juneau, AK

Mrs. Wolfe said if you want to charge what's fair then you have to charge per passenger or nothing. Charging per passenger seems to be an issue with Docks and Harbors. All the companies that are using the buses have Glacier permits and are already reporting and paying the U.S.F.S. on a per passenger basis. Also, it would not make sense for Bill not to be able to use an asset because he doesn't have a sticker on said asset. In addition, he should not have to pay for all of his busses to get a sticker if he won't have them all at the dock at the same time. You could cap that to the 34 spaces that are available or you could charge based on a per passenger fee. A cab might be down there several times doing 15 minute trips. Gastineau Guiding might be at the dock twice in one vehicle in one day because we do 5 hour tours. It's all variable and it's all in and out. I do think there needs to be an application fee, but I don't know what that fee should be. An application takes staff time to process. There could be a \$5.00 decal fee per vehicle and a per passenger fee. We are already paying a per passenger fee monthly to Docks and Harbors. This is all auditable. The U.S.F.S. has the right to go back 5 years with an audit. We prepay for the U.S.F.S. permit. We give them an estimate on how many passengers we think we will have and make a payment based on that amount in three payments. Every month on the 25th we have to give them a report stating how many passenger we took out. Our permit officer will occasionally count how many passengers we took out that day and check it against

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the report we submit. I don't think any rate increases should be implemented this summer. Our prices are set early. The change should be for the 2017 summer.

Mr. Donek said it sounds like the U.S.F.S. is spending more on enforcement then they receive in revenue.

Brenna Asper-Smith with Alaska Independent Coach Tours, of Juneau, AK

Ms. Asper-Smith said if you are going to implement this fee increase do it over a period of time so we are prepared. Increase it gradually.

Mr. Hagevig said I don't think you have to wait until 2017 to increase the rate because people have known about this rate review since last spring. A jump from \$7.00 to \$11.50 is steep though.

Committee Discussion/Action

Mr. Donek said per passenger fees do not make sense to me. When a company uses a 40 passenger bus, even if they don't fill all of their seats, the bus is taking up the same amount of space. The administrative hardship of dealing with that is not worth it. Plus, it's easier to count buses than passengers. This brings up the other point of whether or not we should be charging per passenger for the boats. Boats take up the same amount of space regardless of how many passengers they carry. I would like to revisit the Passenger-for-hire fees. The number of people might be a bigger impact at Statter Harbor by using the restrooms and going on the docks. We should consider adjusting this based on the Consumer Price Index (CPI). I think we're trying to fix something that is not broken.

Mr. Simpson said I cannot justify a rate increase that puts a \$15,000.00 increase on a particular operator and drops the cost significantly for other operators. I see trying to keep track of the per passenger fees as being difficult. Many of these companies are already paying Head Tax and other fees that are subsidizing our funds too. We're collecting a lot of money from these operators currently.

Mr. Janes said I like the idea of increasing the Loading Zone Permit Fees by 5% this year and attaching it to the Anchorage CPI for future rates. It's not the public's problem that we haven't done anything about this since 2004. So raising the rates significantly does not make sense, but raising it modestly does make sense.

Mr. Donek said I move that this be referred back to the Dock Fee Committee for more work.

3. Statter Harbor Master Plan Update

Mr. Gillette gave a PowerPoint Presentation and provided images of designs in the packets regarding the Statter Harbor Master Plan. We're trying to reduce congestion

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and increase efficiency for the public. The plan is focused on providing more: parking, launch ramp space, and moorage. There are two options for how we can utilize the parking lot with regards to bus management. We can have the bus parking at an angle and the buses will need to back out, or we can have pull-through parking spaces for the buses. Also, we could build a building that has outdoor space on the bottom for patrons to use as a viewing area and the top could be leased to pay for the building.

Committee Questions

Mr. Donek asked would this be built in phases.

Mr. Gillette said we can build it in phases if we find we are lacking the funds to build the entire area at one time.

Public Comment

Paul Swanson of Juneau, AK

Mr. Swanson said the people who said this was too tight a space may not have considered the opening at a mean tide.

Committee Discussion/Action

Mr. Janes said I suggest we put the building design out for proposals for private developers to pay for the entire building in exchange for use of the top floor.

Mr. Simpson said a developer might want to build this building while the float is under construction.

Mr. Janes said having a fueling station at the new float would help with the gridlock that is experienced at the current fueling dock in Statter Harbor.

Mr. Donek said with regards to the bus parking lot management, the bus drop off route is mostly paint. We can try one way out and if we don't like it we can change it and try another way.

4. Appropriation Ordinance – Douglas Harbor – ADOT Municipal Harbor Grant

Mr. Gillette said we received a letter of award in 2008 for just over \$2 million. This is brought before this committee for approval then it will go to the Assembly for approval.

Committee Questions – None.

Public Comment – None.

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Committee Discussion/Action

MOTION By MR. DONEK THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE ACCEPTING THE ADOT MUNICIPAL HARBOR GRANT IN THE AMOUNT OF \$2,044,230.00 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

5. Appropriation Ordinance – Douglas Harbor – Transfer of \$1.3M from Harbor Fund Balance to CIP

Mr. Gillette said this appropriation is in the amount of \$1.3 million. This is brought before this committee for approval then it will go to the Assembly for approval.

Committee Questions

Mr. Donek asked can we wait for the bids before we appropriate this money.

Mr. Gillette said we have to have funding before we go out for bid.

Public Comment – None.

Committee Discussion/Action

MOTION By MR. JONES THAT THE BOARD RECOMMEND THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE TRANSFERRING \$1.3M FROM THE HARBOR FUND BALANCE TO THE DOUGLAS HARBOR PHASE III PROJECT AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IX. Items for Information

1. RFP – Land Use & Strategic Financial Planning For Downtown Harbor Facilities

Mr. Gillette said we will receive the proposals on January 26th and set up a selection committee to review the proposals.

Committee Discussion/Public Comment – None.

2. Statter Harbor Moorage Incentive – Subleasing Opportunity

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Mr. Borg said turn to page 30 in your packet. Here you will find the memo from Mr. Uchytel describing how we might proceed with subleasing at Statter Harbor. My main concern is how much we will get involved. There will be disputes between the lessee and the lessor and Harbor Staff will be the first people they contact. I am open to trying this out, but I do not want to make it a regulation. I recommend setting a limit as to how many days the Stallholder can sub-lease so that the system is not abused.

Committee Discussion/Public Comment

Mr. Simpson said we need to be reserving some of the sublet revenue for Docks and Harbors because we're bound to get involved in the management. Currently we can use the stall when the Stallholder is not using the slip, but the Stallholder does not receive compensation. This would help us by opening more moorage that we can assign. We could set it up for 50/50 where the Stallholder receives 50% and Docks and Harbors receive 50% of what the stall was subleased for. This would be an incentive to the Stallholder to inform us when they are not using the slip and to fill the empty space.

Mr. Borg said we have maybe 3 stalls empty at any given time.

Mrs. Jennifer Mejia of Juneau, AK

Mrs. Mejia said a Stallholder could prepay for the year and moor out of their slip while sub-leasing; in which case that would not open up a space. That could happen as our system is not set up to catch this situation. The accounts are set up under the boat's information and not the slips. If the boat account is paid for the month at Statter Harbor the system notes the boat is paid and does not notify staff the boat has moved. You can generate a report showing if the slips are empty, but you would have to run a report per boat to see if that boat moved.

Mr. Simpson said I am talking about people who take their boats out of the Harbor and clear up space. I think we should be the ones to handle the management.

Mr. Janes said no commercial operator is going to double pay. The people who would utilize this would be from out of town. The failure of this system is that people from out of town don't know any of the Stallholders.

Mr. Borg said patrons would have to prepay the monthly rate and pay the sub-lease fee.

Paul Swanson of Juneau, AK

Mr. Swanson said I do not want to have to find someone to use my slip when I am out. I would tell you when I'm going to be gone if I received a percentage of the revenue you received from hot berthing my slip. I do not want to be involved in leasing my slip. I do not like that I have to pay all winter for my slip when my slip is

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empty because I hauled my boat out. I would like a break in my moorage fees during the winter time.

Mr. Donek said this started off as an incentive for hot berthing.

Mrs. Mejia said Harbor Staff is able to generate reports showing which slips have been empty for a few days. So, when a Stallholder forgets to inform Harbor Staff their stall will be vacant, we can look at the report and see the Stallholder's stall has been vacant a few days and hot berth the stall.

Mr. Donek said I think this is going in a direction we don't intend it to.

Mr. Janes said this is getting complicated and may create more problems than solve. Staff knows the goal is to fill up every space in the harbor.

Mr. Simpson said we don't have consensus on how to proceed. I suggest we leave it alone.

3. Fritz Cove Road – Update

Mr. Borg said I put some barricades up at Fritz Cove Road. They've been knocked over. The motion was to put a gate in, but the Jersey barrier was cheaper. We still need to put up some signs.

Committee Discussion/Public Comment

Mr. Simpson said Jersey barriers are still in line with what the Docks & Harbor Operations Committee recommended.

4. Notice of Intended Sale of Boathouse

Mr. Borg said on the last page of your packet you will find the information regarding the boathouse that is for sale.

Committee Discussion/Public Comment

Mr. Janes said the big for sale sign that is hanging on a boathouse in Aurora Harbor is not professional. We should limit the for sale signs to a smaller size.

Mr. Simpson asked are we tracking what the boathouses are selling for.

Mr. Borg said yes, this one is for sale for \$70,000.00 for both sides, and one side of a boathouse sold for \$30,000.00 recently.

X. Staff, Committee and Member Reports – None.

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XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting – To Be Determined.

XII. Adjournment

The Operations-Planning Committee Meeting adjourned at 7:21 p.m.