CBJ DOCKS & HARBORS BOARD
SPECIAL MEETING MINUTES
For Thursday, April 7, 2011

I. Call to Order.

Committee member Mr. Preston called the meeting to order at 5:00 p.m. at the Aurora Harbor Office.

II. Roll Call.

The following members were present: Greg Busch, Tom Donek, Don Etheridge, Kevin Jardell, Cheryl Jebe, Eric Kueffner, Mike Williams and Jim Preston.

Also in attendance were: Mr. Stone – Port Director, Mr. Gillette – Port Engineer, Mr. Benner – Harbor Master, Ms. Danner – Assembly Liaison.

III. Items for Action.

1. DeHart's Marina Emergency Repairs & Travel Lift Dock Evaluation
Mr. Stone said Docks and Harbors received a proposal from PND to do an assessment of the travel lift dock and that would be up to $5,000.00 on a time and materials basis. The work would be to do an inspection and provide us with a structural assessment of the dock, also give an approximate depth load rating to assure the boats that are being lifted from the travel lift could be lifted safely. This report could take up to six weeks.

Mr. Preston asked the Board if they wanted the Travel Lift Dock separate from the rest of DeHart's repairs.

Mr. Etheridge said he preferred to have the two separated.

There was no objection.

Board Questions
None

Public Comments
Dennis Watson, Juneau, AK, said he sent an e-mail to Ms. Danner about the travel lift at DeHart's needing attention and was hoping it filtered through. He said he would like the travel lift separate so you are not lumping that sum of money in the DeHart's expenses because that is something for everyone to use and if it needs more money to maintain it does not take DeHart's money.

Andrew Maples, Juneau, AK, said he would like to see some kind of time line for the travel lift structure. How long will it last?

Lisa Currier, Juneau, AK, asked if CBJ gets the money for lifting the boats out of the water. She asked if it was contracted out.

III. Items for Action(continued).

Mr. Preston said it is contracted out, but they pay Docks and Harbors to do that.
Lisa Currier asked if they have to pay to maintain it, and not take care of the structure even though the travel lift would not exist without the structure.

Mr. Preston said they have to pay to maintain it, but they do not take care of the structure.

Board Deliberation
None

MOTION by MR. ETHERIDGE: TO APPROVE A PND PROPOSAL FOR TIME AND EXPENSE REIMBUSEMENT NOT TO EXCEED 5,000 TO DO THE ASSESSMENT OF THE TRAVEL LIFT DOCK AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

Mr. Stone said Mr. Gillette included a memo in this packet categorizing the DeHart's repairs by immediate needs. On the outer float there are several components. In general we are trying to add floatation to the outer float closest to Statter Harbor area where the fuel dock is, and repair the anchoring system to avoid the float going a drift. The total amount for that work would be $27,600.00. The second component is the gangway stabilization. There is significant corrosion in the cross members. In this cost, Docks and Harbors staff would re-deck the gangway with non-skid material and tie into the trusses on each side of the gangway, not relying on the corroded cross members. The staff would also do additional float surfacing with astro turf. We are trying to remove the bumps and not have people fall through. The salt water ground, estimated at $750.00, has already been authorized and should be done this week. A big concern is the floatation project on the outer float. We are not exactly sure how this will be done and how much it will take. We added extra money in that part in case we needed to change the work method or it takes longer than we think. The estimated total without the structural analysis for the travel lift is $49,972.00. Some of that cost is Harbor personnel already budgeted. Funding will be taken out of the Statter Harbor CIP project, which includes the launch ramp and the float rehabilitation of Statter itself. The Board can then replace those funds with Harbor reserve funds.

Board Questions
Mr. Busch said we just went through the budget and asked the Assembly to approve additional expenditures, will this be added on top of that, or will we need to request additional expenditures for what is budgeted in FY11.

Mr. Stone said this would be within what was already requested. We are going to use our existing staff to do this work and it will not increase what we have already planned. Because of this project, there may be some delays on other work we usually do in the spring. We only have a

III. Items for Action(continued).

certain amount of staff available.

Mr. Busch asked about the additional $39,000 and if it was currently budgeted.

Mr. Stone said this would be taken out of the Statter Harbor CIP money. It would serve as an interim funding mechanism and longer term the recommendation is to replace the funds with Harbors retained earnings.

Mr. Kueffner said the Board recently approved the reconfiguration of the new floats at Statter. If Docks and Harbors puts that project on an accelerated time line, when is the soonest this could be done?

Mr. Stone said we approved the design of the rehabilitation of the float system including the head walk float. The design is planned to be bid this summer and have the work done next winter. If the Board wanted to add another float with slips, we could probably get that design by the end of summer, and bid in the fall. We could try to do this project all at once, but the danger with that is not getting it all done by the end of the winter.

Mr. Kueffner asked whether it would take one to two years.

Mr. Stone said realistically two years. He said Mr. Donek had a good idea to move the boats from DeHart's in the winter to Statter to increase safety and take another look at the facility in the following spring, to see if patrons can move back, then the following year hopefully there would be replacement stalls. These repairs that we have been discussing are immediate needs. However, the divers have pointed out to expect continued issues. Floatation systems fail and they need more bandages. We did look at filling some of the pipes with floatation foam, but it is experimental. This could get expensive and have the possibility of blowing the pipes apart.

Mr. Etheridge asked Mr. Stone what is Docks and Harbors liability.

Mr. Stone said we would be compared to other operating Harbor facilities, and DeHart's is in very poor operating conditions and substandard.

Mr. Etheridge said looking at PND's report indicating the Marina is in poor condition and unstable, does this increase our liability. What will the law department tell the Board?

Mr. Stone said Docks and Harbors are better off trying to do something to make the Marina safer.

Mr. Jardell asked if there was any other options to get the funds for DeHart's repairs.

III. Items for Action(continued).

Mr. Stone said he thinks Statter Harbor CIP is the best fund. The only other funds would be the Harbor operating budget, and this project is not budgeted. There would need to be another correction to put more money in the budget for this project. The easiest way would be to use the Statter Harbor CIP funds and replace them later.

Mr. Preston said we have done similar funding for other projects.

Mr. Jardell asked if there are strings tied to the Statter Harbor CIP funds on how the funds are used.

Mr. Stone said yes, the Statter Harbor CIP funds consist of passenger fees, the state launch ramp grant, CBJ sales tax money that is directed to use toward launch ramp improvements, Harbor grant for refurbishment of the existing Statter Harbor facility and the launch ramp. He said an argument can be made that the funds could be used for the emergency repairs to DeHart's. The easiest in the long run is to replace this money with Harbor reserves.

Mr. Williams said the Statter CIP money is voted on how it is to be spent. Statter Harbor is classified as a Tier I project and DeHart's is classified as a Tier II and is wondering if Docks and Harbors will be scrutinized for this.

Mr. Stone said this is a small amount of money for an emergency case. He does not think there will be an issue.

Mr. Jardell asked why Docks and Harbors does not just use the Harbor reserve fund.

Mr. Stone said in order to do that he would have to go to the Assembly and get an appropriation from the Harbor reserves for a specific CIP for this project or a specific appropriation back into a CIP. This would take approximately a month and a half, and it would delay the work.

Mr. Jardell wanted to know the pay back process.

Mr. Stone said the work would start immediately if approved by the Board tonight, and all of the expenses would be taken out of the Statter Harbor CIP launch ramp project. At the next Board meeting, we could have an action item that takes the funds from the Harbor retained earnings funds and transfer to the Statter Harbor launch ramp CIP. If this is approved by the Board, it would go over to the Assembly and be approved as an appropriating ordinance. This could be done in June.

Mr. Kueffner asked if CBJ has someone that looks at the Harbor conditions.

III. Items for Action(continued).

Mr. Stone said Risk Management. They have never looked at DeHart's, but it is insured.

Mr. Jardell asked Mr. Stone under the insurance policy does Dock and Harbor have an obligation to notify unknown issues.

Mr. Stone said he would have to bring in the CBJ Risk Manager.

Mr. Donek said has CBJ risk management looked at this Marina.

Mr. Stone said he has talked to risk management, but has never given them a tour of the facility.

Public Comments

Andrew Maples, Juneau, AK, said he likes that we are trying to keep DeHart's open. Fast tracking the new facilities over at Statter Harbor is a good idea. The floatation billets are only allocated for the outer float. Right now there are some he won't walk on. Can some of these be done without the others? What is the risk factor? Is this going to get us through the summer? What is the estimate to get us through another summer? He said he would like to fast track the new facility, and not do the parking lot.

Dennis Watson, Juneau, AK, said there is $150,000 dollar revenue stream coming from DeHart's Marina right now. It is in Docks and Harbors best interest to keep this going. With regards to the condition of the Marina, if the Board is going to involve risk management, he strongly encourages that they walk the rest of the Harbors as well, and with the same scrutiny as DeHart's.

Rick Currier, Juneau, AK, we need permanent moorage in Auke Bay. There are 100 empty slips in the downtown Harbor. Auke Bay is full inspite of terrible conditions and higher moorage because that is the best location. Downtown moorage logistics do not always work. Bottom line there is a need for permanent moorage in Auke Bay.

Mr. Preston asked if he was supportive of spending the $50,000.00 for DeHart's emergency repairs.

Mr. Currier said yes he was.

Bruce White said he agrees with the others. We pay a premium price to live in Auke Bay. He said he looked at the cost estimates for the emergency repairs. There are a lot of unknowns and you do not know what you are going to find once you get into it. He questioned the $60.00 per hour per man hour. Mr. Benner said that is the cost for an employee with benefits. Mr. White also questioned the $750.00 for grounding the electrical system. He said that does not sound like very

III. Items for Action(continued).

much. He said he had to move out of DeHart's because of the shore power, and had to spend at least half that much proving to the Harbor that it was not his boat. He encourages the Committee to do whatever it takes to keep DeHart's going until there is suitable moorage for people to move to.

Mr. Preston said that Mr. Stone did explain the grounding, to run a ground line along the dock from pedestal to pedestal.

Board Deliberation

Mr. Etheridge said the $50,000.00 is not the big concern. It is PND's engineer report, and many hours of testimony stating this Marina is unsafe and unfit. He is still concerned about Docks and Harbors liability. The Board knows what the facility looks like, and would like risk management to tell the Board if this is okay to move forward with.

Mr. Donek said to clarify what Mr. Etheridge said is that after Docks and Harbors spends this $50,000.00, DeHart's is not going to be in any better shape than it is right now.

Mr. Etheridge said with 30 years of experience, he does not think the Marina is going to be in any better shape. Putting carpet over wood to keep from falling through is not right. With the gangway, the added weight to try to strengthen the structure could collapse it. The weight of three or four people with material going up the ramp at the same time could collapse it. From the Boards point of view, he would like to know what their liability is.

Mr. Kueffner said the repairs could end up being twice as much as this. Is the revenue we receive from this facility worth what we are trying to put into it. He said he is reluctant to do this because it puts off the inevitable of still having to move people and it does not gain very much. We also have the liability concerns of not being able to use it at all. At some point the patrons are going to have to be moved out, and some times the timing just does not work out right. It may be inconvenient for a while, but in the end they will get back in the Marina. He does not want to be doing this again next year and putting $200,000 in then.

Mr. Busch said he is concerned there has been so much time that has gone by that there has not been any money put in the Marina. He knows there are problems and he wants to try and fix them.
Mr. Donek said to address the question on how long the Marina is going to last. He walked the docks, and in his opinion, these repairs would keep it open for the summer. He said he made a suggestion to Mr. Stone to have all the patrons move out of the Marina in October. Next April the Board would be faced with the same questions, to shut the Marina down, or run it for another summer.

III. Items for Action(continued).

Mr. Williams said he thinks it will cost more than $50,000 to fix it, and more human resource time. When we originally acquired DeHart's, it was negatively assessed. He said Docks and Harbors is not in the business of taking away business or stalls, and appreciates the concerns. The voters voted on what we were going to spend money on and how we were going to do it in Statter Harbor. He has a hard time shifting money from one Harbor project to another because it was voted on. He has a hard time spending money on a Harbor that we are going to do away with. DeHart's is in severe bad shape under the water. When does the fix end? Docks and Harbors is spending human resources on DeHart's, when we should be using this time in other places.

Mr. Jardell said the $50,000.00 is not that great of an amount of money. He would like a controller giving us written authorization saying it is okay to utilize this money. He wants to make sure this is all legal. He said under our insurance, he feels the Board has a responsibility and obligation to operate in a reasonable manner. Trying to accommodate the patrons is important, but he said he has concerns, and he is not convinced this is the best way to spend the money.

Ms. Jebe said she has concerns about liability issues also. What is the alternative? Docks and Harbors needs to make some repairs. Due to liability issues, she does not want to spend the money and still have the Marina close.

Ms. Danner said if Docks and Harbors decides to authorize the expenditure, with the stipulation the Board members have offered, Docks and Harbors could think of ways to further limit their liability by putting a sign on the gangway with a load limit.

Mr. Preston said he thinks Docks and Harbors should spend this money. He said if Docks and Harbors got a go ahead from risk management, it would make the Board feel more comfortable. He addressed Mr. Jardell's concern on using money from one fund and replenishing it from another fund. He said it is not unusual to do so.

MOTION by MS. JEBE: TO APPROVE 50,000 FOR EMERGENCY REPAIRS TO DEHART'S MARINA AS PROPOSED BY THE PORT DIRECTOR FUNDING TO BE PROVIDED BY THE STATTER CIP TO BE REIMBURSED BY THE HARBOR RESERVE FUND AS QUICKLY AS POSSIBLE.

Mr. Etheridge wanted an amendment to the motion AS LONG AS RISK MANAGMENT HAS GIVEN APPROVAL BEFORE THE MONEY IS SPENT TO MAKE THE REPAIRS ON DEHART'S.

Ms. Jebe accepted the friendly amendment.

Mr. Kueffner said he wanted to add another amendment that this would be contingent on

III. Items for Action(continued).

the boats not being kept in the winter at DeHart's, moving out in 2011 and not returning in 2012.

Mr. Jardell said he does not think the Board needs to tie that decision to this meeting. He thinks this could be brought up in an operations meeting at a later date.

Mr. Donek agreed with Mr. Jardell.

Mr. Kueffner said he would still like to keep this on as an amendment to the motion.

Mr. Stone said moorage agreement is for one year and this is coming up July 1. He said Docks and Harbors has an obligation to tell the patrons the moorage agreement is not going to be for an entire year.

Mr. Kueffner said he would withdraw his amendment, but would like the moorage issue put on an Operations agenda.

The motion passed without objection.

Mr. Preston said he wanted Mr. Stone to contact Risk Management about looking at DeHart's. Mr. Preston said to add the DeHart's moorage on the Operations Committee meeting and add the slip charges to the Finance Committee meeting.

IV. Adjournment.

The meeting was adjourned at 6:11 p.m.