SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - March 22, 2019

MEETING NO. 2019-17: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Beth Weldon.

I. CALL TO ORDER / ROLL CALL

Assembly Members Present: Mayor Beth Weldon, Loren Jones, Wade Bryson, Carole Triem, Maria Gladziszewski, Mary Becker (telephonic), Rob Edwardson, Alicia Hughes-Skandjis and Michelle Hale

Assembly Absent: None.

Staff Present: City Manager Rorie Watt, Deputy Manager Mila Cosgrove, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Finance Director Bob Bartholomew, Assistant City Attorney Meghan Costello, Law Office Manager Deb Senn

II. APPROVAL OF AGENDA

Mayor Weldon stated that before they began the official portion of the meeting, she wished to extend her thanks to the CBJ negotiating team consisting of City Manager Rorie Watt, Deputy City Manager Mila Cosgrove, City Attorney Robert Palmer, Finance Director Bob Bartholomew, Port Director Carl Uchytil, Assistant City Attorney Meghan Costello and their Contract Attorney Bob Blasco. She also extended her thanks to the CLIAA negotiating team Charlie Ball, John Binkley, and Mike Tibbles. She thanked them and extended the Assembly's appreciation for the hard work to finding a solution which could be moved forward.

III. PUBLIC HEARING

A. Ordinance 2018-11(AF) An Ordinance Appropriating to the Manager the Sum of $1,950,000 as Funding for the Settlement of the Cruise Lines International Association Alaska (CLIAA) Lawsuit; Funding Provided by General Fund's Fund Balance.

   This ordinance would appropriate $1,950,000 to pay the payments agreed in the CLIAA lawsuit settlement agreement. $1,500,000 is for a payment to CLIAA to cover a portion of their legal fees. $450,000 is to reimburse CBJ for the remaining portion of our legal fees not initially paid with Marine Passenger Fees.

   To facilitate timely payment, the original funding source is FY19 General Fund's Fund Balance. The entire $1,950,000 expenditure will be reimbursed in the

beginning of FY20 (July 1, 2019) from Marine Passenger Fees pursuant to Ordinance 2019-14.

The City Manager recommends this ordinance be adopted.

Public Comment:
Mr. John Binkley thanked the Assembly, the Mayor and the CBJ negotiating team for the effort in getting this settlement completed and the litigation behind them. He said CBJ is well represented by Mr. Watt, he does a phenomenal job for the Assembly and the community. He said it has been difficult working on this issue over the past few years but Mr. Watt has always been a gentleman and CLIAA has appreciated the approach that he and his team have taken. CLIAA is pleased with the settlement, it is an opportunity for all of the cruise industry and the community of Juneau to move forward. He said that CLIAA realizes when they bring visitors here, they are guests in this community and it is their primary responsibility they make certain they act as guests and work with CBJ to make certain that CLIAA sustains and maintains the excellent quality of life for the people of Juneau. To that end, he said they want to work together as they go forward and they are excited about this and happy to be turning a new chapter and working together.

Assembly Action:
MOTION by Mr. Edwardson to adopt Ordinance 2018-11(AF) and asked for unanimous consent. *Hearing no objection, the motion carried.*

B. Ordinance 2019-14 An Ordinance Appropriating to the Manager for FY20 the Sum of $1,950,000 as Funding to Reimburse the General Fund for the Funds Appropriated for the Settlement of the Cruise Lines International Association Alaska (CLIAA) Lawsuit; Funding Provided by Marine Passenger Fees.

This ordinance would appropriate $1,950,000 to reimburse the payments, made in FY19 in accordance with Ordinance 2018-11(AF). The original payments were to fulfill some of the financial terms of the CLIAA lawsuit settlement agreement. $1,500,000 is to reimburse a payment to CLIAA to cover a portion of their legal fees. $450,000 is to reimburse CBJ for the remaining portion of our legal fees.

The entire $1,950,000 expenditure reimbursement will be funded from FY20 Marine Passenger Fees. This ordinance would be effective July 1, 2019.

The City Manager recommends this ordinance be adopted.

Public Comment:
None.

Assembly Action:
MOTION by Mr. Jones to adopt Ordinance 2019-14 and asked for unanimous consent. *Hearing no objection, the motion carried.*

C. Resolution 2852 A Resolution Authorizing the Manager to Execute a Settlement Agreement Regarding the Cruise Ship Litigation CLIAA v. CBJ.

This resolution would authorize the city manager to execute a settlement agreement with CLIAA, the Cruise Lines International Association Alaska, thus ending three years of litigation over the imposition and expenditure of CBJ's cruise ship passenger fees.

This settlement agreement will support the best interests of the CBJ, the members of CLIAA individually and collectively, cruise ship passengers, all Alaska ports and the citizens of Juneau. It is an excellent solution to a difficult problem. Both parties are relieved to have settled the litigation in such an amicable manner.

CBJ and CLIAA haven't agreed on the exact meanings of the law, but both parties recognize that solid communication will continue to be necessary to keep the parties together. This settlement agreement provides a framework that should help the parties avoid future litigation. CBJ believes that the services that it provides are services to vessels and/or facilitate the marine operation or interstate marine enterprise of a vessel. CLIAA has agreed to not object to use of fees by CBJ to provide these services.

The City Manager looks forward to continued collaboration with cruise ship industry representatives and heartily thanks them for the extensive good faith negotiations that resulted in this agreement.

The City Manager recommends this resolution be adopted.

Public Comment:
None.

Assembly Action:
MOTION by Ms. Gladziszewski to adopt Resolution 2852 and asked to speak to her motion.

Ms. Gladziszewski said that they have been involved in this lawsuit for the past three years and she has been involved since it began. She said that Assemblymembers have not spoken publicly about this even in the face of sometimes inaccurate information that was going around. She said they felt it was more important for CBJ to argue its case in the courts and they believed it was the right thing to do for Juneau. It has been a long road and there are thousands of pages of documents on the website, with approximately 800 individual files. She said the negotiating teams, lawyers, and Assembly have been working on it for a long time and in general, the basic fundamental reason the city has been continuing to work on this is that they value local control of our waterfront and they wanted to be responsible stewards of the funds collected to benefit passengers and the operation of the vessels. She said they are very pleased that this has come to this resolution and the bottom line for the city is that there is no change to the historical practices we have had. She said they look forward to continuing to work with the cruise industry and continue to do the best we can for the vessel operations and their millions of

passengers who come to visit Juneau.

Ms. Gladziszewski thanked everyone who worked on bringing about this resolution and asked for unanimous consent to pass the resolution.

Hearing no objection, the motion carried.

IV. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

V. ADJOURNMENT

There being no further business to come before the Assembly, the Mayor adjourned the meeting at 5:11 p.m.

Signed: _____ Signed:_____

Elizabeth J. McEwen
Municipal Clerk

Beth A. Weldon
Mayor

Clerk's Note: Following adjournment of the meeting, the Mayor, City Manager, Clerk, and CLIAA representatives signed the documents that were passed during the meeting.