

**DOCKS & HARBORS BOARD
DOCKS FEE REVIEW COMMITTEE MEETING MINUTES**

Thursday, March 24th, 2016
City Hall Conference Room 224

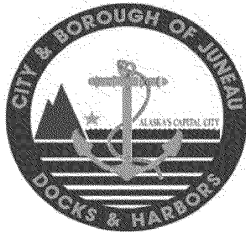
- I. Call to Order** Docks Fee Review Committee meeting was called to order at 5:55pm in City Hall Room 224 by Mr. John Bush.
- II. Roll Call** The following members were present: Tom Donek, Weston Eiler, Tom Zaruba, and John Bush.
Also present: Carl Uchtyl – Port Director; Drew Green- Cruise Line Agency.
- III. Approval of Agenda**
MOTION: BY MR. WESTON EILER TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.
Motion passed with no objection.
- IV. Approval of February 18th, 2016 Docks Fee Review Committee Minutes**
MOTION: BY MR. TOM ZARUBA TO APPROVE THE FEBRUARY 18TH, 2016 DOCKS FEE REVIEW COMMITTEE MEETING MINUTES AND ASKED UNANIMOUS CONSENT.
Motion passed with no objection.
- V. Public Participation on Non-Agenda Items - None**
- VI. Unfinished Business**
- I. Cruise Ship Fees
 - o Dockage Charges (05 CBJAC 15.030)
 - 3/2010; 1/2007; 12/2004
 - \$1.50 per foot for vessels less than 65 feet in length overall;
 - \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
 - \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.

Mr. Uchtyl stated we are discussing the Cruise Ship Dockage Fees which are based on length. He presented a spreadsheet with the different cruise ships that use Juneau Docks. The spreadsheet shows the different fees that are applicable to each ship depending in the location they use and the size of the ship. There are wharfage fees, port maintenance fees, water, lightering, marine passenger fees, port development fees whether it is public or private dock, and port dues.

Committee Questions

Mr. Donek asked when the last time these rates were changed.

Mr. Uchtyl answered he believes it was in 2010 and that was before his employment.



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Mr. Drew Green, Cruise Line Agencies, answered he believes it was 2008 that the port development fee changed by resolution and not ordinance. He stated he was not aware of the \$.055 per registered net ton port maintenance fee ever changing; it's always been the same. There have been a number of considerations for changing the \$3.00 fee per head and the port dues but they were not changed. The head tax income helped therefore the other fees were not raised.

Mr. Donek asked when the head tax fee went in to effect.

Mr. Green answered in 1999 for a \$5.00 head tax. In 2009 when they built Marine Park they added an additional fee & there were three rates at that time. Then the assembly changed it under a sunset clause and it has been set at a \$3.00 head tax.

Mr. Zaruba asked if there is any reason to change the cruise ship fees now.

Mr. Uchytel answered I have a recommendation. The city does get a lot of head tax. We collect about \$800,000 to \$900,000 in dockage fees and the city collects over 10 times that in head tax. We are profitable at this time so I do not see a need to raise our rates.

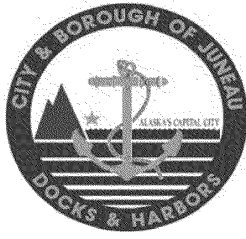
Mr. Zaruba asked if our rates are considerably higher than Sitka and Ketchikan.

Mr. Uchytel answered he did prepare a report with Ketchikan fees to do a comparison. He stated it is not a direct comparison since we have different fee structures. Some fees are similar and some fees are either lower or higher here. He stated Seattle has a different infrastructure since it is mostly a turnaround port compared to Juneau which is a port of call for the passengers.

Mr. Donek stated we have things changing with ships getting bigger, heavier, and carrying more passengers. As time goes on we are going to be making more money since we charge per passenger and per tons. Although I do have a concern with fees not ever changing and it has been years.

Mr. Zaruba stated we should go over every fee structure we have for both Harbors and Docks and see what is working. We could make a motion to just leave them as is for another year.

Mr. Eiler stated he appreciates Mr. Uchytel putting together the Ketchikan information so we can see what other communities do.



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Mr. Bush stated since we are under construction mode with the new cruise ship docks we should not raise fees. If things are working we move forward and table it until next year once the 16B project is complete.

Public Discussion - None

Committee Discussion/Action - None

MOTION: None

VII. New Business

1. Port Dues (85.02.105)

- 3/2005
- Every vessel carrying passengers for compensation and utilizing the port facilities, and not otherwise exempted, shall be assessed and pay port dues for each port visit. The port dues shall be in addition to other port facility fees and charges.
- [Base rate per registered net ton] X [Registered net tonnage]
= Port dues per vessel per use of port facilities

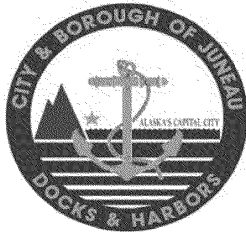
Mr. Uchytel stated we have both port maintenance fees and port dues. He contacted CBJ law department to try and decipher what the difference is between the two and whether or not these are duplicates. The way law explained it was certain vessels are exempt from the port development fees such as vessels that are under 200 tons. The port dues appear to have been created to have the smaller ships help pay for recapitalization of the port. We have never used it because there are very few smaller cruise ships. We need to come up with a base rate so the vessels that have more than 12 passengers but less than 200 tons have comparable fee to pay to the port.

Committee Questions

Mr. Eiler stated there are four vessels that the port dues would be applicable to but some comparable sized ships do not have it, is that because those vessels moor at a different dock.

Mr. Uchytel answered yes. Even the smaller boats out at Auke Bay should have these port dues.

Mr. Donek asked the port dues regulation says every vessel using the port facilities. What are the port facilities, everything we own?



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Mr. Uchytel answered the regulation states the port dues should be placed in the port development fund and then those funds are used to benefit the cruise industry.

Mr. Zaruba asked if the harbor facilities and the port facilities are two different things according to this.

Mr. Uchytel said Auke Bay and the Gitkof dock would fall under this even if not downtown.

Mr. Bush asked if the CBJ Law Department has come back with anything on this regulation.

Mr. Uchytel answered only with as much as they could give me. We thought it was a duplicate but now we think it is to fill the gap for the vessels that have more than 12 passengers but less than 200 tons but not charge the local guys by having some exemptions.

Mr. Zaruba stated there must be a simpler way to determine the exemptions as well. How do we know what their schedule is and if they travel 100 miles or less from Juneau.

Mr. Donek asked what is our objective for the port dues.

Mr. Uchytel answered it is to collect fees from the over-night passengers on vessels of more than 12 people but less than the larger cruise ships of 200 tons.

Mr. Zaruba answered it would be determined by the type of license they have.

Mr. Bush said we could pull the 200 ton limit and merge the port dues and port development fee but still leave the exemptions in place. This will not affect a lot of vessels but it will clean up loose ends of fees out there. Can we run this by CBJ Law to see if we can combine them.

Public Discussion

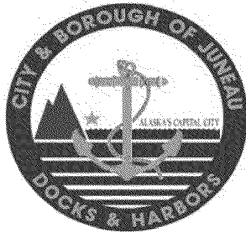
Mr. Drew Green stated he believes this was created by the city through an ordinance but Docks & Harbors collects it. This was around the same time the long-range waterfront development plan was created.

Committee Discussion/Action

Mr. Donek asked if these port dues are in addition to port development fee.

Mr. Uchytel answered per Chris Orman, our CBJ attorney, they are separate.

Mr. Zaruba stated he agreed in combining them.



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Mr. Bush said we should do our due diligence and not ignore these. We will come back to this. No motion needed at this time.

MOTION: None

VIII. Future Business

1. Port Maintenance Fee (05 CBJAC 15.040)
2. Marine Passenger Fee (05 CBJAC 15.100(a))
3. Port Development (05 CBJAC 15.100(b))

IX. Next Docks Fee Review Meeting- Thursday, April 21st, 2016 following Finance

X. Adjournment

The Docks Fee Review Committee Meeting adjourned at 6:41pm.