

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING AGENDA
For Wednesday, December 8th, 2021

Zoom Meeting
<https://bit.ly/3j9gHs6>
Meeting ID: 851 4466 7678
Passcode: 454353
Call In: 253 215 8782

- I. Call to Order** (Following 5:00 p.m. Special Board Meeting via Zoom)
- II. Roll Call** (James Becker, Lacey Derr, Don Etheridge, Paul Grant, David Larkin, Matthew Leither, Annette Smith, Bob Wostmann and Mark Ridgway).
- III. Approval of Agenda**

MOTION: TO APPROVE THE AGENDA AS PRESENTED OR AMENDED
- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total)
- V. Approval of Thursday, November 10th, 2021 Operations/Planning Meetings Minutes**
- VI. Consent Agenda - None**
- VII. Unfinished Business**
 - 1. Prioritization of Capital Improvement Projects (CIP)
Presentation by the Port Engineer

 - Committee Questions

 - Public Comment

 - Committee Discussion/Action

 - MOTION: TBD**
- VIII. New Business - None**
- IX. Items for Information/Discussion**
 - 1. Statter Harbor “D” Float Damage Assessment
Presentation by the Port Engineer

 - Committee Discussion/Public Comment

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2. Marine Passenger Fee Request
Presentation by the Port Director

Committee Discussion/Public Comment

3. Ordinance Authorizing Docks and Harbors to Execute a Reservation Agreement with
Private Dock Owners
Presentation by the Port Director

Committee Discussion/Public Comment

4. CY22 Port Staffing Needs
Presentation by the Harbormaster

Committee Discussion/Public Comment

X. Staff & Member Reports

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting-**Wednesday, January 19th, 2022.**

XII. Adjournment

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Zoom Meeting

I. Call to Order Mr. Ridgway called the meeting to order at 5:00 p.m. via Zoom at the Port Director's Office.

II. Roll Call The following members were present in the Port Director's conference room or via Zoom; James Becker, Lacey Derr, Don Etheridge, Matthew Leither, Annette Smith, Bob Westmann, and Mark Ridgway

Also present: Carl Uchtyl - Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, and Teena Larson – Administrative Officer.

Absent: Paul Grant and David Larkin

III. Approval of Agenda

Mr. Uchtyl said he added additional items in the packet a short time ago. He added under items for information on page two, the Vessel Lightering Fee as a result of the Finance Sub-Committee meeting last night and on page 24 is the language for 05 CBJ 15.060 Vessel Lightering Fee.

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

Motion passed with no objection

IV. Public Participation on Non-Agenda Items – None

V. Approval of Thursday, October 20th, 2021 Operations/Planning Meetings Minutes Hearing no objection, the October 20th, 2021 meeting minutes were approved as presented.

VI. Consent Agenda - None

VII. Unfinished Business

1. Follow up to Board Strategic Retreat

Mr. Uchtyl said on page 14 in the packet is the Board Retreat agenda. At the retreat we only got to item X(3) on the agenda. There was a question earlier at the retreat about the bond debt. Mr. Sam Muse, who is the controller for CBJ is here to answer questions. On page 15 in the packet, in the FY22 budget, there was a question about our debt service

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and why it is not lower when we are making payments. Pages 17, 18 and 19 is a PDF of the debt service provided by the Finance Department.

Mr. Muse said to answer the question on why there is a variance between previous years and FY22 for the bond debt. This is really not an equal comparison. FY21 and prior numbers are audited financial statement numbers which include accounting adjustments to get things on an accrual basis. When the bonds were issued, they were issued at a premium meaning you paid above market rate and received additional money over the par value of the bonds. On the accounting side, we have to amortize the premium or life of the bond. So that is a really high level. The earlier numbers include the amortization of premium and then what you see in FY22 does not and that is the actual cash going out the door each year by Harbors which is \$740,000 in cash for principle and interest and this will be for the life of the bond. This does not include the accrual accounting adjustments that we do on our end.

Committee Questions

Mr. Wostmann asked since you have not yet taken into account the amortization of the bond, the payment in the prior year represents the payment toward interest and the interest is in the expense line and not the debt service line?

Mr. Muse said when you issue a bond at a premium, and say the market rate for the bond is 3%, the people you sell your bonds to will actually give you money up front if you are willing to pay say 4% interest for your bond. A possible reason for this is because the bonds need a bond reserve so you need about \$800,000 cash in reserves. In other words, the bond was probably issued at a premium and you got a little extra cash so you were able to put that cash in the reserve. The market rate is still really the 3% but you now have additional cash up front to pay that higher interest rate. What we have to do on the accounting side is amortize that premium over the entire life of the bond. What that does is bring the effective interest rate back down to 3%. If you are paying \$400,000 or 4% a year in interest in cash, what the amortization does is lessen the interest amount that you expense on your financial statement to bring it back down to the 3% that the market rate was. The reason why the debt expense in prior years looks less is because the amortization of the bond premium actually is lowering your interest expense on the financial statements back down to that 3% market rate that would have prevailed when you issued it.

Mr. Uchytel said the next item from the Board Retreat is in the packet on page 24 which is a letter from Katie Koester, the Public Works Director reviving the process we followed last January with the Assembly. She is asking for two projects for the Legislative priority list for consideration by the Assembly. The chance for Harbors to receive any Legislative money is little to none. He asked Mr. Schaal to go over the CIP list for the Committee and the plan on how to do the priority.

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Mr. Ridgway asked the Committee members to go over the list and give Mr. Schaal their priority list. He said it is helpful to know the staff priority list and rationale behind that priority.

Mr. Schaal said he sent out a sheet with the projects and information to help clarify the projects which is on page 22 and 23 in the packet. This final priority list will become a home base which means we will have a currently ranked list for the Board so when opportunities come up we have a recently reviewed list we can go to and bring that before the Board for a final review. It will be good to refresh this list every couple of years.

Mr. Becker commented that some of the projects are grant funded and we do not have any grant funding at this time so we are not able to prioritize those projects.

Mr. Schaal said we can have a priority project that we do not have funding for and so depending on funding is how they would be done. He said one caveat to remember is there are some projects very expensive and we may never have enough money to fund. However, we need to bring a CIP list to John Bohan in Engineering if there is anything the Board wants to move in the next fiscal year we would want to make that note this winter so that we can have the process started. This list is for immediate and planning use. If we want to move something out of our fund balance for the next fiscal year we need to talk about that now so we can get it in the next fiscal year CIP list.

Mr. Wostmann said he ranked them and will send them to you tonight. For the top two CIP's, he picked the waterside safety railings and the UAS downtown property purchase.

Ms. Smith commented that she missed the time to see Mr. Schaal's idea's for a lightering dock and would like to set up another time. Ms. Smith, Mr. Ridgway and Mr. Schaal will meet Wednesday at noon.

Mr. Uchytel said the next item on the Retreat Agenda was advancing the common good. He said Mr. Grant suggested a topic of COVID strategy with Docks & Harbors operations. Next year we are probably going to have a hard time hiring employees to work along the Docks and listening to McDowell Group, and the JEDC Visitor's Cluster Group there are grave concerns of having a supply of seasonal work force. This year went okay but 2022 may be difficult to find staffing.

Mr. Ridgway asked if we have talked to the school district or UAS to recruit staffing.

Mr. Uchytel said we partner with Human Resources and they have a job fair at UAS every year. That is our vision for filling these part time limited unbenefited positions.

Mr. Uchytel went on to the next item on the retreat agenda which is expectations of staff. He said our only request is that Board members notify staff if they are or are not going to attend a meeting. There are many times we do not know if we will have a quorum until just before the meeting.

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Mr. Etheridge said it is also not fair to other Board members. They show up for a meeting and then we do not have a quorum.

Mr. Uchytel asked from the retreat agenda what are the Board expectations of staff?

Mr. Ridgway commented he liked the open communication with staff at the retreat.

Mr. Wostmann commented he also liked the retreat and it was very informative and successful. He feels more comfortable now after the retreat to reach out to staff if he has questions.

Mr. Etheridge said if he has a question and goes to staff they are receptive to get the answer for him. He encouraged other Committee members to go directly to staff to ask any questions you may have.

Mr. Uchytel asked if the Committee members get the correct and enough information from staff?

Mr. Ridgway recommended staff to do the same and ask Committee members questions also. He understands staff seeks direction from the Board. If staff feels the members have not provided enough information for what they are looking for to come back and ask for more clarity.

Mr. Etheridge agreed that the retreat helped with the open communication.

Public Comment -

Mr. Kirby Day, Juneau, AK

Mr. Day said he thought the retreat went great and he enjoyed listening. He said he liked as a Committee and a Board you were able to meet in person and it is invaluable.

Committee Discussion/Action - None

NO MOTION

2. Docks & Harbors Rate Setting Policy Statement

Mr. Uchytel said this is on page 24 in the packet. This is a rate setting policy that the Finance Sub-Committee meeting worked on and brought forward to the Operations. The only comments received at the October Operations meeting were to change out “replenish” with “replace” in two locations. There is also a nuance under the Docks Enterprise. In 2019 there were over 500 ships but that included the private owned docks. We might change that to 300 to be more accurate. If this Committee is good with the language staff will take it to the Board next week.

Committee Questions

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Mr. Ridgway commented we are not really on a deadline for this policy.

Mr. Uchytel said he does not know of a deadline.

Mr. Wostmann said there is no deadline but if there is no further discussion to move this forward to the full Board to implement this rate setting policy to follow from there on out. He sees no reason to delay this.

Mr. Ridgway said he wanted to go back and review the rate setting policy again. Can we make a statement to what fair and reasonable is and can we describe it.

Mr. Wostmann said he does not mind going back over the document but to him a policy should not get into the specific criteria because they will change. This policy is intended to be a broad statement of intent within which the Board will then make specific decisions from examples and comparisons and go through a process that is fair and reasonable for the particular issue at hand. If we start adding additional requirements then we could be under constraints that may or may not be appropriate to a particular circumstance in the future. The basic concept of being fair and reasonable is something we all understand and he would be opposed to trying to refine that to a specific guideline.

Mr. Ridgway asked if the specific CPI to use should be in the policy statement?

Mr. Wostmann said the language does not need to change but this is underlying the policy. Determining the exact CPI to use is the implementation of the policy and how to apply that in this instance is not something that belongs in the policy but that is something the Board decides at a specific point in time. It then uses the policy to evaluate whether the decision making meets the requirements of the policy.

Mr. Ridgway said if this goes to the full Board and they approve it. What happens next?

Mr. Uchytel said this is a policy that will be on file and be referred to as necessary. Should this be a guiding document we give to the rate study consultant? This is how we would like to proceed as an organization moving forward.

Public Comment –

Mr. Kirby Day, Juneau, AK

Mr. Day said Princess has a couple lease arrangement facilities and our landlords have typically used Anchorage CPI.

Mr. Dennis Watson, Juneau, AK

Mr. Watson said Alaska CPI is the best to use.

Committee Discussion/Action

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Mr. Etheridge recommended to amend the policy statement with Mr. Uchytíl's suggestion to change 500 to 300.

Mr. Uchytíl said another option, if you added the word "facilities" after "City Owned" the 500 will be more accurate.

Mr. Etheridge removed his previous amendment and asked to make another one.

Mr. Etheridge wanted to change the wording to "City Owned Facilities".

MOTION By MR. WOSTMANN: THAT CBJ DOCKS & HARBORS RATE SETTING POLICY BE ADOPTED BY THIS COMMITTEE AND BROUGHT TO THE FULL BOARD FOR ENACTMENT AS A BOARD POLICY FOR THE FUTURE AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. New Business

1. 05 CBJAC 15.060 Vessel lightering Fee

Mr. Uchytíl said this is on page 24 in your packet. Last night at the Finance Subcommittee meeting there was some discussion on the proposed new Lightering fee from Harbormaster Creswell based on what he estimates to be the true labor costs for people using the lightering float with repeatable, factual labor rates. The current \$600 fee was established in 2005. After Mr. Creswell's recommendation last night, the Subcommittee proposed raising the rate from \$600 to \$1,700. There will be other small adjustments to the language. If the Committee wants to take action tonight it will go to the Board next week and after Board approval staff will start the public notification process, have a public hearing, and go to the Assembly for final approval. There will be 54 vessels at anchor in calendar year 2022. Approximately three times what we had in 2019.

Committee Questions

Mr. Ridgway asked if we have to have all the specific language changes to move this forward?

Mr. Uchytíl said after the Board approves this staff will work with Law for the corrected language and that is what will get posted.

Mr. Wostmann if this is approved, can we still ask staff to keep a more detailed record in staff time and associated costs for this fee. Is this something staff can reasonably do?

Mr. Creswell said the costs associated with the lightering fee is trackable. We can easily go off schedules.

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Public Comment - None

Committee Discussion/Action

Mr. Ridgway said industry has encouraged the Board for their budgeting because they need to know what we are going to do and that is the reason for moving this forward so quickly. This fee is well under our actual cost. Staff will continue to track this and bring it back to us next year.

MOTION By MR. WOSTMANN: TO CHANGE THE VESSEL LIGHTERING FEE 05 CBJAC 15.060 TO \$1,700 FOR EACH 24 HOUR PERIOD OR PORTION THERE OF AND RECONFIGURE THIS RATE IN THE SUBSEQUENT YEAR AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IX. Items for Information/Discussion

1. Finance Sub-Committee Update on Proposed CPI Discussion

Mr. Wostmann said the Finance Committee reviewed the list of rates we currently have from the perspective of determining whether or not an adjustment starting in the next fiscal year and continuing on thereafter is appropriate for that particular rate. The Committee identified all the rates that should have the CPI applied to. The CPI was applied subsequent to the last time the rate was adjusted but no more than ten years. Before this is completely ready for further action, we will need to determine what CPI to use. The Finance Sub-Committee intends to have a final discussion on this item at our next meeting and move to the Operations Committee for further consideration.

Committee Discussion - None

Public Comment - None

2. Maritime Administration (MARAD) Disposition letter - Sealift Haulout

Mr. Schaal said in your packet on page 27 is a letter from MARAD. It reads Docks & Harbors has permission to sell the Sealift and keep the money to purchase another piece of equipment more suitable to our needs. The caveat is whatever purchase has to meet the Buy American Act requirements. Karl's Auto Marine has a specific piece of equipment for their boat lift but that is a Canadian company and this will not meet the requirements for Buy American. This is a good path forward and we think we will recover some of the capital costs in that sealift and turn it around and put it into a new American made boat lift to regain that functionality at the Auke Bay Loading Facility.

Committee Discussion

Mr. Etheridge asked if staff has an estimate on how much this will sell for?

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Mr. Creswell said the low end is \$160,000. From interest shown from individuals from Washington, we may get \$200,000.

Mr. Ridgway asked what the original purchase price was for this Sealift.

Mr. Uchytel said \$540,000.

Mr. Ridgway asked what year it was purchased in?

Mr. Uchytel said it was purchased in 2011 and received in 2012.

Mr. Ridgway asked if we could get out of the leasing of equipment all together?

Mr. Uchytel said the fact that MARAD is allowing us to sell this equipment and keep the proceeds and buy a similar device is a game changer. Staff is looking to replace the Sealift with a piece of equipment that is non-motorized that can meet our needs.

Mr. Ridgway asked what a non-motorized haul-out looks like?

Mr. Creswell said it has the same function of the Sealift but the non-motorized mean it is not self-propelled. It has a small pony motor to operate the hydraulic system with all the rams, lifts, and pads on the trailer and pulled by a large truck or loader. We are looking for a yard trailer in the 50 to 60 ton range which has a larger capacity than the current sealift and can haul 60 to 70 foot boats.

Mr. Ridgway asked if staff has an estimate for how much the 50 to 60 ton non-motorized equipment would cost?

Mr. Creswell said we do not have an exact quote, we will need to work with the lessee and get some quotes for American made equipment. The Lessee will supply his vehicles to haul the trailer.

Mr. Ridgway asked if we will need to compensate the Lessee for the use of their vehicle to haul the trailer.

Mr. Creswell said those details are not worked out but the Lessee already has the equipment and is currently using his equipment to pull the trailer.

Mr. Wostmann asked if the equipment we are looking to purchase allows for the hauling of sailboats like the current one?

Mr. Creswell said he was looking at a 55 or 60 ton lift and it was capable of hauling 70 foot power boats and 80 foot sailboats.

Public Comment

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Mr. Dennis Watson, Juneau, AK

Mr. Watson said he remembers a higher cost for the purchase of the Sealift. He suggested to do smart and sound research on a new piece of equipment so we are not in this same situation again.

X. Staff & Member Reports

Mr. Uchtyl said this is the last call for participants to be on the Harbor Rate Study evaluation Committee.

Mr. Leither showed interest but he was going to be out of town.

Mr. Uchtyl said the next Operations Meeting is on December 8th with the plan for a Special Board meeting ahead of the Operations as the public hearing on the 10% passenger-for-hire fee increase.

Mr. Creswell reported we are getting ready for winter and working on projects planned for the winter months. Next Monday we are having interviews for our Harbor Security Officer.

Mr. Ridgway said a follow up from the retreat, Lacey Derr and himself will be working on a marketing strategy for Juneau Harbors. We are in a generic development mode and will bring back to discuss at another meeting.

Mr. Derr commented there is an encampment growing under the bridge and asked how this is handled?

Mr. Creswell said our staff has been working on cleaning this all up and it was finished yesterday. He said if anyone notices something like this again to please reach out to him and let him know.

Mr. Etheridge said since we have not had the night patrols, there has been an increase in people wanting to hang out and the drug deals are getting worse.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting-**Wednesday, December 8th, 2021**

XII. Adjournment – The meeting adjourned at 6:40pm.

DEPARTMENT CAPITAL IMPROVEMENT PRIORITIES

For D&H Board Review and Ranking (Compiled 11/23/2021)

Docks

Project Name	Board Priority	Rank Total	Staff Priority	Rank Total	Cost Estimate	Project Notes
Dock Waterside Safety Railings	1	13	1	7	\$1,000,000	Designs and installs handrails all along the seawalk from the AS Dock to the CT Dock. The style would match the current handrails at the docks and incorporate new features around the Aquileans and original bollards.
NOAA Dock Acquisition	2	26	2	14	\$3,000,000	Related to Small Cruise Ship Infrastructure Project. Possible property purchase or improvements.
Small Cruise Ship Infrastructure	3	25	3	21	\$25,000,000	Designs and constructs the project as envisioned in the recent masterplan. Provides a 350' drive down float with the water, sewer and electrical connections. Also provides new uplands to accommodate small cruise ship passenger and provisioning needs.
Shore Power at Cruise Ship Berths	4	30	4	25	\$1,000,000	Based on the ongoing study. Designs and constructs shore power infrastructure to supply cruise vessels with shore power at both the AS and CT docks.
Downtown Waterfront Improvements Ph II (Restrooms)	5	38	5	27	\$3,000,000	On hold due to City Museum. Completes design and constructs a new restroom and waiting area at the Peratrovich Plaza.
Lightering Float Replacement	6	40	7	40	\$650,000	Replaces removed lightering float to provide a public float that accesses the water in the vicinity of Marine Park
Deck Over at People's Wharf	7	49	6	34	\$3,000,000	Part of Marine Park to Taku Smokeries Planning Study. Decks over an open section of water between Tracy's Crab Shack and the seawalk for more public space.

Total

\$36,650,000

Harbors

Project Name	Board Priority	Rank Total	Staff Priority	Rank Total	Cost Estimate	Project Notes
UAS Downtown Property Purchase	1	19	3	19	\$3,000,000	Purchase of the Fisherman's Terminal crane dock, tidelands, float, travel lift pier and uplands used by the boat yard.
Aurora Harbor Rebuild - Ph III	2	29	1	13	\$4,000,000	Rebuilds North Aurora, could be combined with Aurora Ph IV
Aurora Harbor Rebuild - Ph IV	3	36	5	31	\$5,000,000	Rebuilds North Aurora, could be combined with Aurora Ph III
Cost Share w/ ACOE - Statter Breakwater Feasibility Study	4	38	4	25	\$500,000	Match money to partner with the ACOE to design and install a new longer breakwater at Statter Harbor to increase the protected moorage area.
North Douglas Boat Ramp Improvements	5	50	7	45	\$5,000,000	Residents have asked about improving North Douglas Launch Ramp. A 2 lane ramp, 100 parking space sketch has been created to stir discussion and garner public input.
Statter Harbor Passenger for Hire Ph IIIC	6	56	2	15	\$4,000,000	Designs and Constructs restrooms and waiting area and parking lot improvements for tour passengers and buses. It could include a second floor for lease to a restaurant.
Juneau Fisheries Terminal Development	7	64	8	53	\$25,000,000	Tied to UAS property purchase. Includes multiple improvement options to add capacity and improve facility's for commercial users at the facility. Based on the Bridge Park to Norway Point Master Plan
Marine Service Center	8	72	12	66	\$25,000,000	New downtown boat yard located at Norway Point with a 150 travel lift. Based on the Bridge Park to Norway Point Master Plan
Aurora Harbormaster Building and Shop Replacement	9	76	6	45	\$3,000,000	Part of Bridge Park to Norway Point Master Plan. The Harbormasters Office is past its useful life. It has sewer issues and the shop has carpenter ants. These buildings are the most in need of replacement in the D&H portfolio.
Wayside Float Maintenance Dredging	10	78	11	63	\$350,000	The public fishing dock at DIPAC grounds at low tide which is damaging the floatation and the decking is wearing from vehicle use. It needs to be dredged and have major maintenance performed.
Douglas Harbor Uplands Improvements	11	90	9	55	\$2,000,000	Douglas Harbor has a masterplan from the early 2000's that adds curb and gutter, landscaping, paves the lots and builds a seawalk along the top of the retaining wall.
Statter Harbor Shop/Garage/Storage Facility	12	92	10	58	\$1,500,000	Staff have expressed a need for more vehicle garage space and storage to improve efficiency and levels of service to Statter Harbor and all harbor facilities north of Auke Bay. It's mentioned in the Statter Harbor Master Plan
Aurora Harbor Dredging - Tug Slips	13	100	14	77	\$350,000	Aurora Ph I had an additive alternate to dredge two of the fingers on A float to approx. elevation -20 to allow tug boats to not ground at -5 tides. It was not funded in Ph I.
Auke Bay Net Repair Float	14	106	13	71	\$300,000	Net mending locations have been a hot topic for the commercial fishing fleet. For several years there was a barge on loan at the ABLF that served as a net mending float. The barge was sold and there is currently no official net mending float.
Taku Harbor/Stockade Point Float Replacement	15	113	15	84	\$300,000	Parts of the Taku Dock and Stockade Point float are nearing their useful life. This project plans and designs their replacements.
Auke Bay Non-Motorized Coastal Transportation Link	16	114	17	90	\$12,500,000	Baywalk in Statter harbor that connects the Harbormasters Office to the Auke Bay Marine Station with an elevated seawalk that winds around the shore.
Fish Sales Facility - Harris Harbor	17	119	16	86	\$1,000,000	A study was done to look at improving local sales of seafood directly from commercial vessels. It identifies some infrastructure that could improve the publics access to vessels selling seafood.



155 S. SEWARD STREET ▪ JUNEAU, ALASKA 99801 ▪ 907-586-5240

INFORMATION RELEASE

December 2, 2021

Public can submit proposals for Marine Passenger Fee proceeds starting Dec. 3

Every year, the City and Borough of Juneau asks city departments and the public, including businesses and the visitor industry, for project proposals to be funded with Marine Passenger Fee proceeds. This year, proposals can be submitted December 3, 2021 through January 3, 2022.

Juneau voters in 1999 passed a proposition that assigned a tax of \$5 per cruise ship passenger. The fee assists in funding projects or operational services that provide services to cruise ships and passengers, and mitigate community impacts created by the cruise ship industry.

Proposals must be submitted by January 3, 2022 to susan.phillips@juneau.org or the City Manager's Office, attention Susan Phillips, 155 S. Seward Street, Juneau, Alaska 99801.

The City Manager will develop a draft recommendation list of projects to be funded by Marine Passenger Fee proceeds, followed by a 30-day public comment period. All Marine Passenger Fee project proposals and comments will be forwarded along with the City Manager's recommendation list to the Assembly Finance Committee for review, and then to the Assembly for consideration during the upcoming budget cycle.

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For more information, contact Susan Phillips in the City Manager's Office at 586-5240 or susan.phillips@juneau.org, or go to the [Marine Passenger Fee Program webpage](#).



Port of Juneau

155 S. Seward Street • Juneau, AK 99801
(907) 586-0292 Phone • (907) 586-0295 Fax

From: *Carl J. Uchytel*
Carl Uchytel, P.E., Port Director
To: Rorie Watt, City Manager
Cc: Mila Cosgrove, Deputy City Manager
Date: December 31th, 2020
Re: FY 2022 Marine Passenger Fee (MPF) Request

1. Attached for your consideration is a list of FY21 Marine Passenger Fee requests from Docks & Harbors. This list was discussed by the Docks & Harbors Board at its November 19th, 2020 regular board meeting.
2. Please contact me or Erich Schaal if you have questions at 586-0282.

#

Encl: FY22 Docks & Harbors Marine Passenger Fee Request

CBJ Docks and Harbors Board

FY2022 Marine Passenger Fee Request

Area Wide Port Operations

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise.

The Board has established a number of fees to generate revenues from users of the assets. The Board has calibrated these fees to assure the overall revenue generated by the enterprise equals the overall cost of running the enterprise.

Many of the uplands assets are used by entities which it is not possible, feasible, or acceptable to charge fees. As a result, users paying fees are subsidizing users that do not pay fees. The services provided to these users are area wide in nature benefiting the general public and cruise ship passengers of private docks. As part of this fee request, the Board identified services that are area wide in nature.

Board identified the following services:

1. Year round maintenance and monitoring of Marine Park.
2. Maintenance and operation of public parking at the Columbia Lot and seasonal public parking at the Steamship Wharf Plaza and the Visitor's Center Lot.
3. Maintenance and operation of unrestricted pedestrian access along the waterfront at the public docks.
4. Maintenance of tour operators Vendor Booths.
5. Maintenance and operation of shuttle drop-offs and pick-ups in the CBJ loading zone that are used by all cruise ship terminals in Juneau.
6. Providing area wide port security. Of note are new Coast Guard requirements to validate credentials of passengers and crew returning to the cruise ships. New security structures will provide greater efficiencies but the resultant will be greater staff responsibilities to meet facilities security plans.
7. Billing and collecting CBJ area wide fees for all docks.

The Board reviewed its FY20 budget and apportioned expenses associated with these services. Based on its review, it estimates that about 15% of the annual docks budget is attributable to area wide services.

Marine Passenger Fee Funds Requested (FY22): \$275,000

Benefits: This approach is supported by the cruise ship industry since it is more equitable than raising dockage fees. This approach meets the intent of the marine passenger fee since the services benefit all cruise ship passengers, not just the passengers at the public docks. This approach allows the Docks and Harbors Board to direct part of the dock lease revenues to the much needed rebuild effort of the small boat harbors reducing the need for fee increases at the harbors.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchtyl, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

Port-Customs and Visitor Center Buildings Maintenance Support

Project Descriptions: The Port-Customs and Visitor Center buildings are located on the downtown Juneau waterfront, an area that serves over one million cruise ship passengers each year. Docks and Harbors, an enterprise fund, is responsible for costs associated with operating the Port-Customs and Visitor Center Buildings. Expenses include all utilities (water, sewage, electrical, alarm monitoring) and facility support (parking lot, plaza, snow removal, janitorial and general maintenance). The two buildings comprise approximately 4450 square feet in area. Maintenance costs are estimated at \$2.50 per square foot per month equaling \$133,500.

Marine Passenger Fee Funds Requested (FY22): \$133,500

Project Review: The Port-Customs Building was completed in May 2011 with the Visitor Center completion in June 2012. The project which included the buildings, infill dock construction, covered shelters, landscaping and plaza cost approximately \$9M and was funded with Marine Passenger Fees. The Port-Customs Building is occupied by the US Customs and Border Protection (CBP) and Docks and Harbors staff. CBP claims to be exempt from any costs associated with their operations within a port. The Visitor Center Building is occupied by the Travel Juneau, a non-profit organization for the purpose of supporting cruise passenger inquiries. The Travel Juneau budget does not support maintenance of the building. This leaves the Docks enterprise funds fully exposed to the costs of maintaining and servicing these buildings.

Benefits: By establishing a Port-Customs and Visitor Center Buildings maintenance fund Docks & Harbors can effectively manage and maintain the properties entrusted under their responsibilities. Passenger fees were granted for this purpose in FY2013 through FY2020.

Maintenance and Operation Responsibility: CBJ Docks and Harbors is responsible for all ongoing maintenance and operating expenses of these two buildings and associated upland support facilities.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

CBJ Parks & Recreation Landscape Maintenance Services

Project Descriptions: Docks & Harbors managed property includes the downtown waterfront from the Taku Dock to Merchant's Wharf. The landscaping has been maintained by CBJ Parks & Recreation seasonal staff for several years out of the CBJ general fund. Flowers, flower pots, trees, shrubs and grass along Marine Park, Cruise Ship Terminal and Alaska Steamship waterfront are meticulously planted and groomed in an admirable fashion. Beginning in FY15, Docks & Harbors was directed to fund this maintenance out of the Docks Enterprise budget.

Marine Passenger Fee Funds Requested (FY22): \$45,000

Project Review: The requested amount has been developed by a CBJ Parks & Recreation algorithm based on requirements to propagate plant and maintain the vegetative cover, new seedlings, plants and flowers.

Project Time-Line: This project would be an interdepartmental transfer from Docks & Harbors to CBJ Parks & Recreation.

Maintenance and Operation Responsibility: Commencing in FY15, Docks & Harbors has been assigned sole responsibility for maintaining the greenery along the CBJ owned waterfront, including outside parking lot facilities.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

Safety Guardrail Along Dock Face

Project Descriptions: The project would be located along the downtown Juneau waterfront, an area that services approximately one million cruise ship passengers each year. The project consists of constructing a new guardrail along the face of the existing dock.

Marine Passenger Fee Funds Requested (FY22): \$1,000,000

Project Review: This project would construct a new pedestrian guardrail along the existing dock face from Marine Park to the South Berth approach dock. The existing dock face only features an eighteen inch bullrail at the edge. For pedestrian safety a forty two inch high guard rail would be constructed. The proposed guardrail would be designed in the same character as other guardrails along the Seawalk.

Project Time-Line: This project would begin as soon as funding is allocated. The first step would be to design the guardrail and prepare construction bid documents. Upon award of a contract to the lowest qualified bidder construction would begin. The plan is to have the guardrail installed by spring 2022 provided full funding is obtained.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses. Maintenance and operations expenses for the guardrail would be minimal.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

FY2022 ADOPTED BUDGET FOR DOCKS

Descriptions: CBJ's cruise ship docks and associated infrastructure are run as an enterprise fund established by local ordinance. All expenses and revenues associated with operating and maintaining CBJ's cruise ship docks and associated infrastructure are accounted within this fund. The CBJ Assembly has placed these assets under the responsibility of the Docks and Harbors Board. CBJ Ordinance Title 85 requires the Board to be self-supporting, generating revenues sufficient to meet the operating costs of the docks enterprise. An alternative is for the Docks enterprise to be completely funded with Marine Passenger Fees.

Marine Passenger Fee Funds Requested (FY22): \$1,800,000

Benefits: This request places the entire Docks budget under a single funding source.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

Real Time Current Sensors & Weather Monitoring

<https://www.mxak.org/services/mda/weather/port-of-juneau>

Descriptions: Three tidal current and three weather sensor systems were installed by Marine Exchange of Alaska (MXAK) in 2016-2017 and are frequently used by vessel operators using the facilities within the Port of Juneau. The real time information is hosted on the above MXAK website. The feedback received from cruise ship pilots, masters and commercial fishermen attesting to the value of the data provided through the system has been overwhelmingly positive.

To ensure continued reliable operation, it is desirable to replace the three existing weather sensors with new and more accurate Gill weather sensors. Through a contract with MXAK, they will procure and maintain a supply of spare equipment to ensure timely replacement should weather sensors fail. Tidal current sensors will be also be serviced and replaced as needed and a spare current sensor procured to ensure timely replacement if necessary. Currently, the tidal current sensor at the Cruise Ship Terminal Float is inoperative. The cost of maintaining spare weather and current sensor equipment, fittings and appurtenances, servicing, repair and replacement of damaged and inoperative sensors would be included in a contract proposal with MKAK.

Marine Passenger Fee Funds Requested (FY22): \$45,000

Benefits: The initial vision for contracting to design and install real time current and weather monitoring was due to the impact of the new cruise ship berths (16B) to impede navigation of vessels mooring/unmooring at the Franklin Street Dock. The Port of Juneau was the first port to leverage this technology developed by MKAK which now provides similar services for the Ports of Ketchikan and Nome. The real time current and weather monitoring applications provide another tool for vessel captains and SE Alaska Pilots ensuring the Port of Juneau is providing world-class facilities for our maritime user groups.

Maintenance and Operation Responsibility: CBJ is responsible for all ongoing maintenance and operating expenses and will use local Docks enterprise funds for these expenses.

Project Contact: Erich Schaal, CBJ Port Engineer or Carl Uchytel, CBJ Port Director 586-0292.

CBJ Docks and Harbors Board
FY2022 Marine Passenger Fee Request

Additional Personnel for “Port of Call” Access Control

Description: On December 18th, 2020 Coast Guard Sector Juneau released a Marine Safety Information Bulletin clarifying the regulatory requirements for Maritime Transportation Security Act (MTSA) regulated facilities which receive large foreign passenger vessels (i.e. cruise ships). The Consolidated Cruise Ship Security final rule, published on March 19th, 2018 defined the differences between a “cruise ship terminal” and a “port of call”. The final rule also prompted a conversation between USCG Sector Juneau and SEAK industry stakeholders, including the Port of Juneau. Previously, SEAK industry stakeholders (including the Port of Juneau) interpreted Title 33, Code of Federal Regulations (CFR), Section 105.255(d)(4) as a list of documents which could serve as personal identification irrespective of criteria in 33 CFR 101.515. As such, facility security personnel (including the Port of Juneau) were allowing individuals with only a vessel boarding pass or room key to gain access to the secure area adjacent to the cruise vessel.

The resultant clarification in the MSIB is that, effective April 1st, 2021, facility security personnel must use a two-prong approach to ensure proper identification and valid purpose:

1. Check the personal identification meeting the criteria in 33 CFR 101.515; and,
2. Confirm the purpose for access by examining at least one document listed in 33 CFR 105.255(d)(4).

Although this may seem like a minor additional task to validate an ID with a boarding pass, we believe the impact will greatly impede the flow of passengers returning to their vessel. The above mentioned two-prong requirement will be similar to what one experiences at an airport TSA checkpoint. The extra time required to ensure each boarding pass matches the government issued ID has the potential to create delays when excess of 1000 passengers/hour attempt to embark their vessels during the waning time in Juneau. Additionally, passengers who do not have government issued ID will need to be escorted by port facility security to the vessel security officer which will only exasperate those waiting in the queuing line.

Marine Passenger Fee Funds Requested (FY22): \$90,000 (1.5 FTE Harbor Technician)

Benefits: By funding an additional 1.5 FTE Harbor Technician, Docks & Harbors intends to hire 3 seasonal employees who will augment the standing Docks security force enabling greater redundancy for properly checking credential in accordance with Coast Guard guidance.

Maintenance and Operation Responsibility: CBJ Docks & Harbors, as the facility manager for the AS and CT Docks, has uplands security requirements required under MTSA regulations.

Project Contact: Matt Creswell, CBJ Harbormaster or Carl Uchytel, CBJ Port Director 586-0292.

Presented by: The Manager

Presented: 07/13/2020

Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2020-38(b)

An Ordinance Authorizing Docks and Harbors to Execute a Reservation Agreement with Goldbelt, Inc. for Seadrome Dock and the Merchant's Wharf Float.

WHEREAS, under Title 85 of the City and Borough Code, Docks and Harbors is responsible for the operation, development, and marketing of municipally owned and operated port and harbors, including such facilities as boat harbors, docks, ferry terminals, boat launching ramps, and related facilities except as designated by the Assembly by resolution; and

WHEREAS, Docks and Harbors manages a year-round reservation system for large commercial vessels, yachts and fishing vessels at the Intermediate Vessel Float and along the Statter Harbor Breakwater in Auke Bay; and

WHEREAS, during the summer months, the linear foot capacity at the Intermediate Vessel Float often is exceeded by the demand from small cruise ships, yachts, large pleasure crafts, and commercial fishing vessels; and

WHEREAS, Goldbelt, Inc. owns and operates the float at the Seadrome Dock and manages a float facility along the Merchant's Wharf; and

WHEREAS, Docks and Harbors staffing, with demonstrative experience in reservation management, has the capacity to maximize vessel assignments throughout the downtown waterfront; and

WHEREAS, Goldbelt, Inc. has signaled interest in developing a business plan in which Docks and Harbors could collectively manage the reservations of the publicly owned Intermediate Vessel Float and the privately owned Seadrome Dock with adjoining Merchant's Wharf Float for the 2021 summer season; and

WHEREAS, Docks and Harbors views the synergistic opportunity to place the downtown reservation system under a single organization as a financial benefit to the City and Borough of Juneau, a savings on administrative personnel costs for Goldbelt, Inc., and greater customer service to mariners desiring downtown moorage; and

WHEREAS, Title 85 does not provide the Docks and Harbors Board with authority to execute reservation agreements for privately owned docks.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:


Section 1. Classification. This ordinance is a noncode ordinance.

Section 2. Authorization. Despite any provision of Title 85 to the contrary, the Docks and Harbors Board is authorized to execute a reservation agreement with the following essential terms:

- (a) **Scope.** The Docks and Harbors Department may manage reservations, including moorage services, for the privately owned Seadrome Dock and adjoining Merchant's Wharf Float ("Goldbelt facilities").
- (b) **Priority.** Docks and Harbors shall prioritize reservations at and fill CBJ facilities before making reservations at Goldbelt facilities.
- (c) **Compensation.** Docks and Harbors shall receive 30 percent of all new reservation revenues collected at the Goldbelt facilities.
- (d) **Term.** The reservation agreement is only for the 2021 summer season.
- (e) **Liability.** The City and Borough of Juneau is not assuming control, maintenance, or responsibility of any of Goldbelt, Inc.'s real property. The City and Borough of Juneau is not responsible for the inability to make a reservation, reservation disruptions, reservation changes, market fluctuations, or vessel relocations.
- (f) **Public Records.** All records received by the Docks and Harbors Department related to this agreement are public records and subject to the Alaska Public Records Act and CBJC 01.70.

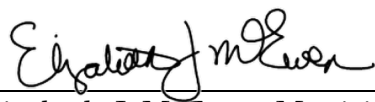
Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption and terminate on December 31, 2021.

Adopted this 4th day of January, 2021.



Beth A. Weldon, Mayor

Attest:



Elizabeth J. McEwen, Municipal Clerk

Presented by: The Manager

Presented:

Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-02

An Ordinance Authorizing Docks and Harbors to Execute a Reservation Agreement with Private Dock Owners.

WHEREAS, under Title 85 of the City and Borough Code, Docks and Harbors is responsible for the operation, development, and marketing of municipally owned and operated port and harbors, including such facilities as boat harbors, docks, ferry terminals, boat launching ramps, and related facilities except as designated by the Assembly by resolution; and

WHEREAS, Docks and Harbors manages a year-round reservation system for large commercial vessels, yachts and fishing vessels at the Intermediate Vessel Float and along the Statter Harbor Breakwater in Auke Bay; and

WHEREAS, during the summer months, the linear foot capacity at the Intermediate Vessel Float often is exceeded by the demand from small cruise ships, yachts, large pleasure crafts, and commercial fishing vessels; and

WHEREAS, Goldbelt, Inc. owns and operates the float at the Seadrome Dock and manages a float facility along the Merchant's Wharf; and

WHEREAS, Docks and Harbors staffing, with demonstrative experience in reservation management, has the capacity to maximize vessel assignments throughout the downtown waterfront; and

WHEREAS, Goldbelt, Inc. has signaled interest in developing a business plan in which Docks and Harbors could collectively manage the reservations of the publicly owned Intermediate Vessel Float and the privately owned Seadrome Dock with adjoining Merchant's Wharf Float; and

Whereas, Ordinance 2020-38(b) authorized this pilot arrangement for the 2021 season, and Docks and Harbors successfully managed the two Goldbelt, Inc. docks and realized approximately \$5,000 in revenue from the arrangement;

WHEREAS, Docks and Harbors views the synergistic opportunity to place the downtown reservation system under a single organization as a financial benefit to the City and Borough of Juneau, a savings on administrative personnel costs for Goldbelt, Inc., and greater customer service to mariners desiring downtown moorage; and

WHEREAS, Title 85 does not currently provide the Docks and Harbors Board with authority to execute reservation agreements for privately owned docks.

BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a code ordinance.

Section 2. Amendment of Section. CBJC 85.02.060, General Powers, is amended as follows:

...

(b) Private Dock Reservations. The Docks and Harbors Board is authorized to execute a reservation agreement for private docks with the following essential terms:

- (1) Scope.** The Docks and Harbors Department may manage reservations, including moorage services, for any privately-owned docks within the City and Borough of Juneau.
- (2) Priority.** Docks and Harbors shall prioritize reservations at municipally-owned facilities.
- (3) Compensation.** Docks and Harbors shall receive fair market value for its services, which shall be determined by the Docks and Harbors Board.
- (4) Liability.** The City and Borough of Juneau is not assuming control, maintenance, or responsibility of any of private property, including but not limited to vessels using a private dock or private docks and associated facilities. The City and Borough of Juneau is not responsible for the inability to make a reservation, reservation disruptions, reservation changes, market fluctuations, or vessel relocations.
- (5) Public Records.** All records received by the Docks and Harbors Department related to public-private agreement are public records and subject to the Alaska Public Records Act and CBJC 01.70.

Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this ____ day of January, 2022.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk