

## DOCKS & HARBORS STRATEGIC RETREAT MINUTES

November 5<sup>th</sup>, 6<sup>th</sup> & 10<sup>th</sup>, 2021  
Conference Call for Public to listen

- I. **Call to Order** – Mr. Etheridge called the meeting to order on November 5<sup>th</sup> a little after 5:00 pm due to technical difficulties and November 6<sup>th</sup> at 10:00 am. The final retreat items were put on the Operations Meeting on November 10<sup>th</sup> which started at 5:00pm.
- II. **Roll Call** - The following members attended in person both days at the Bartlett Conference room; Lacey Derr, James Becker, Paul Grant, David Larkin, Matthew Leither, Mark Ridgway, Annette Smith, Bob Wostmann, and Don Etheridge.  
  
Also in Attendance – Carl Uchtyl – Port Director, Erich Schaal – Port Engineer, Teena Larson – Administrative Officer, Christina Woll – Assembly Liaison, and Mila Cosgrove - Facilitator.
- III. **Approval of Agenda** – Ms. Derr approved the agenda as presented. There was no objection.
- IV. **Public Participation on Non-Agenda Items** –  
Mr. Kirby Day, Juneau, AK  
Mr. Day thanked the Board for allowing public to listen in on the retreat.
- V. **Welcome Comments** – Chair Etheridge asked the Board members to introduce themselves to our new Assembly Liaison Christine Woll. He went on to say that he wanted the Board members to speak up when they have a comment on any of the topics on the agenda.
- VI. **Docks & Harbors Board Strategic Planning Overview** – Facilitator Mila Cosgrove went over the process. There is an agenda but it can be slightly flexible. Part of the goal tonight was to provide the opportunity for the members to connect with and get to know each other. This is a work session and not a formal session. The existing Docks & Harbor strategic plan which is a power point presentation was shown and discussed. The benefit for a strategic plan is to keep everyone moving in the same direction. As a Board, as you create policies, action plans, and allocate funding, you have an idea of the overarching principles the Board agreed to.

There was a question on the history of this plan.

The strategic plan was developed in 2014 and generated initially by Docks & Harbors staff in a lengthy process. Staff brought this to the Board for their approval and this has been used every year since.

A good strategic plan starts with a Mission Statement –

*Develop and provide opportunities, services, and facilities to support marine related commerce, industry, fisheries, recreation and visitors.*



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The Board discussed the mission statement and was asked if it is relevant and still on track with where Docks & Harbors is headed.

The Board agreed Docks & Harbor Mission Statement still meets our needs and does not need to be changed.

The Board went over and discussed the Vision Statement –

*To be the Southeast Alaska Marine Center of excellence providing safe, secure, modern, vibrant facilities meeting the needs of the users we serve.*

The Vision Statement should be what the Board has been working toward.

There was a comment that “Marine Center” should not be capitalized.

The Board agreed the Docks & Harbors Vision Statement still meets our needs.

Next item under the strategic plan is from a value perspective and what is driving staff –

Service Excellence

Continuous Improvements

Integrity

There is more detail under each item above but they were not included.

There was a comment that “Safety” should be added – It is a sub-paragraph under Continuous Improvements.

There was a comment that “Transparency” should be added – This is added under Integrity.

The mission/vision/values helps define the atmosphere of the environment in which the work takes place.

There was a request to have the items under service excellence, continuous improvements, and integrity provided to the Board Members. This information can be provided at the Operations Planning Committee meeting on November 10<sup>th</sup>.

There was a request to have Mr. Uchytel explain what staff’s perspective of service excellence, continuous improvements, and integrity is and how he knows if Docks & Harbors is meeting these goals?

Mr. Uchytel said he will address this in the State of the Port presentation. There is a marker in the Operations agenda for any items not addressed tonight or tomorrow.

Strategic Plan Goals & Objectives –

- Well trained and engaged workforce
- Well maintained managed & integrated facilities



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- To develop safe secure Harbors and facilities
- Develop a strategy for meeting the user groups needs
- Vibrant Waterfront Development
- Create and implement market and branding strategies that highlight Docks & Harbors as a marine center of excellence
- Develop and implement a revenue generation optimization plan that supports and facilitates the implementation of the strategic plan.

Questions and answers-

How long have we had these goals and objectives and have we accomplished any of them?

The strategic plan was structured as an overarching direction in 2014 and there are updates provided every year on Docks & Harbors accomplishments.

Have we ever had a marketing and branding strategy document that the Board has looked at and approved?

We do not have a marketing/branding plan document. Staff is always talking about customer service and our brand has to be without tarnish to get what we need, support from the Assembly, grant opportunity, and confidence from the harbor patrons. Branding is very important to staff.

There was a question if the strategic plan existed before 2014?

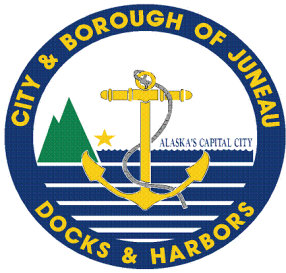
It was all brand new in 2014. Our logo was even new in 2014.

There was a comment that if we say we have integrated facilities than that needs to happen. When he tried to pay for his space in Statter at Aurora he was told he could not do that. All locations should be able to process all payments.

The goals and objectives are a work in progress. Some of the items on the list have been worked on and other things are less developed but it does not mean they cannot in the future. This is the time to give direction to staff for prioritization.

There was a question on how staff uses this strategic plan in their daily work?

Every week there is a staff meeting with the senior staff with an agenda with red, amber, and green priorities. These items are crossed out as things are accomplished. One of the important items on the agenda is “take care of our people”. We do this through recognition, and training. Other items on the agenda are projects and some have been on the list for years. Staff knows where we want to go.



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What is the status of the computer support for the offices. What is the technology that holds all the offices together?

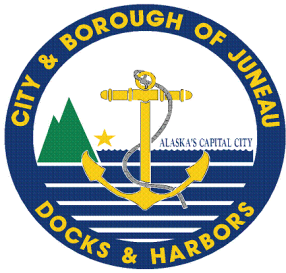
All the administrative staff use the same program and they cross train for busy times. Everybody can see what each other is doing. The downtown and Statter harbor operations are different but staff is always striving to be more integrated.

There was a suggestion to have staff create a list of what can and cannot be done in each office and to bring to an Operations meeting.

If things are not being done like the Board thinks, the topic can be addressed at a Board meeting.

**VII. State of the Juneau Port & Harbors** – Mr. Uchytal talked about Docks and Harbors from his perspective of how they were ten years ago and where they are today. The guidance in the strategic plan was put together in 2014 and it is looked at and staff knows the path forward. He read a letter of thank you that was addressed to the Port Director and the Harbormaster. It was thanking the Statter Harbor staff for all their help, support, and kindness after the drowning of their nephew.

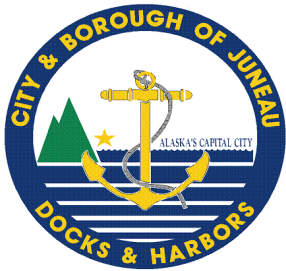
Mr. Uchytal said ten years ago this would not have happened. Ten years ago he had to counsel staff at Statter Harbor because they were fighting with patrons. Today, dealing with COVID, we did not shut down and staff did not miss a single day. Staff communicated what needed to be done and worked through all the challenges. Customer Service is a priority with staff and is talked about in every staff meeting. Staff collects about \$6M in revenue each year, and it is done with great precision. We are not perfect, but continuous improvement is noted in our plan and staff talks about it every week in the staff meetings. We are not perfect, but ten years ago Mr. Uchytal said he was meeting with H.R. and the MEBA representative about once a week just on personnel issues. Today he hardly ever sees MEBA grievances. Comparing Docks & Harbors to other facilities, Ketchikan was looking to privatize their facilities because they couldn't stay profitable and keep up with the needs of the Port, Whittier struggled with keeping a Harbormaster so they offered the current Harbormaster a lot of money so he would take the position and he is probably one of the highest paid Port Executive, in Alaska. Today Docks & Harbors has great stability with staff and the management and leadership personnel want to be here. Staff are recognized and they have achieved great awards. We have two staff members that have completed all the UAS classes for Harbor Operations and no other Harbor in Alaska has staff that completed these classes. Our Harbormaster is enrolled in a Port Executive program that is a 18 month program through American Association of Port Authorities for professional development. The success of Alaska Association of Harbormasters and Port Administration is successful due to the Juneau people that have participated in that. That organization in the last ten years has come from being a conference where people go to drink to a conference that gets stuff done and lobbies



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somewhat successfully with the Legislature for items that benefit all Harbors throughout the State. Ten years ago, he had Cruise Lines of Alaska come to him and tell him no one wants to deal with the Port staff along the waterfront. Today we have relationships with the Coast Guard (also received an award from them), CLIAA and CLAA (Mr. Day is a colleague and we worked together making sure all needs were met especially with the Port Agreement required with the pandemic), he routinely meets with the delegation (he has been to DC several times to meet with the Senators, Representatives, and NOAA personnel), other CBJ Departments (previously other CBJ departments did not get along with Docks & Harbors). We have built relationships with the Yacht Club, Territorial Sportsman, and the Fireworks Committee. In the last ten years we have done \$170M worth of projects which includes the Army Corps projects which is half Harbors and half Ports. He can talk to the Army Corps personnel and they will always help the best they can. We received several awards for our projects. Juneau is fortunate to have PND locally. They compete for every job they get. They are a nationally renowned waterfront engineering company. We are also fortunate to have Trucano Construction who also competes for the project work and is awarded the project most of the times. In the past ten years all of our projects have turned out well and we have not had bad issues and the majority of our work is accomplished in the winter months. We have challenges with harbor patrons. The Harbors has been profitable even though we have the most expensive Harbors to manage between Echo Cove to Taku Harbor. There is no other Harbor system in the country that has to run 50 miles in between Echo Cove and Douglas Harbor. The expectation is that everyone wants our facilities plowed and maintained right now. One of our challenges is our geographic limitations. Limited uplands are a huge constraint. Having Egan Drive along Harris and Aurora Harbor limits our ability to make needed changes and advance our amenities in those harbors. The Auke Bay Loading Facility was a fill job. Staff is always looking for grant opportunities. We don't always do the projects we want to do but we chase the projects that have the best chance to be funded. The center of excellence in the 2014 strategic plan came about because there was still 50 year old facilities that needed replacement and staff was embarrassed with the facilities at that time. Staff does not hear patrons want to leave Juneau and go to other harbors for more and better services anymore. Staff wants to be the best Harbor facility in Southeast Alaska which is an achievable goal. If Docks & Harbors is not building things, staff is planning. We have the Urban design plan for the Downtown waterfront, the Statter Harbor masterplan, the Bridge to Norway Park planning document, and the Small Cruise Ship masterplan. Staff uses these plans to tease out successes. Mr. Uchytel said he is optimistic the Bipartisan Infrastructure Bill will get passed but he is not sure about the Build Back Better grant. There is a possibility to have \$15B in grant money for Ports and Harbors to compete for in the next five years. We have diversity in operations which helps us between how we manage our tideland leases, having a port that is pretty well funded through head tax, commercial fisherman, charter operators, and general tourism. In 2014 trying to figure out a way forward, our average facility was about 50 years old. Today with all the improvements our facilities average age is



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about 25 years old. Staff is always willing to innovate. In the past our facilities have had water leaks that went unknown for days. Staff has installed water detection devices to detect excessive water. In the past live-aboards have complained about water pedestals freezing. This winter we are experimenting with using heat sacks to prevent freezing. Staff worked to provide an online system for patrons to pay their bills and buy launch ramp permits online. It is not perfect, but it works. Juneau Harbors is being seen as the model to follow. This last week with the Assembly support for the \$2.8M for the UAS property purchase was huge. In the past, it was very difficult to secure money through the Assembly. Money that comes through the head tax is approved through the Assembly, but we have not received general funds from the Assembly. He suggested to thank the Assembly for their support.

Member comments, questions, and answers—

There is a lot of change for the better in Statter Harbor staff from the past to now.

What is the Board members relationship with Staff? How did the Board help with the successes?

If staff is going in the right direction and getting things done, that is where the Board can support staff, but if there are problems with things staff is doing, that is when the Board should reign staff in and get us back on track.

Harbor improvements over the years have been tremendous. He asked if there could be examples provided where the Board was not helpful and where we were helpful?

Mr. Uchytel said in his message he was responding to “where is all the planning”? He was trying to get across that the planning is going on constantly and he was pointing them out. He wants the Board to know that the goals established in 2014 are still relevant and leading to great successes we should all be proud of. Everything accomplished is with Board oversight.

Staff has greatly improved since Mr. Uchytel started working at Docks & Harbors. He saw the personnel challenges over the years and was shocked when he came back to the board and saw how well everything was operating. Mr. Uchytel’s frustration could be with not receiving input or clear direction from the Board when requested and that is the Board members job.

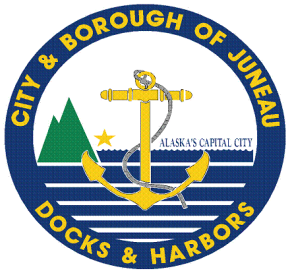
Direction is not able to be given because we all have different priorities and we disagree.

Getting together like this is how we will determine our priorities as a Board.

This member asked for guidance on how to function within Robert’s Rules in a meeting.

The Board chair said he will help with this request.





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Mr. Uchytíl's overview of the last ten years was from a guy that loves his job, does it well, and wants to share the good stuff that happened over the years. He said he has been in the Harbors since the 80's and things are a lot better.

Questions –

- How do we evaluate the marketing which is the question of supply and demand, and cost?
- How do we decide if we want to attract more boaters to Juneau?
- How do we think about a marketing strategy to get some of the people that left to Hoonah or Petersburg or encourage boaters from down south to come to Juneau, Alaska.
- He would like a more detailed explanation on the CLIAA settlement, what our obligations are, and what the Industry obligation is?
- How do we evaluate the needs of user groups?

The questions will be put on the “parking lot list” which will be answered at another time.

Where does staff think the Harbors will be ten to twenty years from now?

We know big diesel trucks and 26' aluminum boats are what people want. We should be worried about the millennium generation getting into kayaks or trailerable boats where our main revenue is still in the Harbor moorage. We need to ensure we have a viable commercial fishing fleet and do everything we can to make them want to come to Juneau and not to Hoonah and Petersburg. Juneau is the 47<sup>th</sup> largest commercial fishing port in the country based on value of catch. The Board needs to keep thinking twenty to thirty years out.

Do we know what Oregon or Washington is thinking for their Harbors twenty to thirty years out?

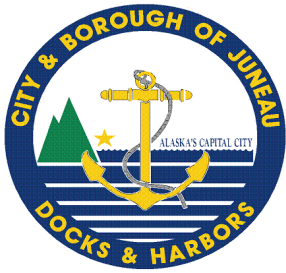
Everyone wants to boat right now, but will that last?

How do we make sure to do better with our environment like the dock electrification project.

Mr. Uchytíl said that is how we are building our facilities now. We have ran conduit in the Statter Harbor phase III project so we can accommodate electric vessels in the future and in the downtown parking area we added infrastructure to accommodate electric bus charging stations.

Mr. Uchytíl's overview was exactly what a leader should do and it shows the Board they have the right guy for the job.

**VIII. Board Member Round Robin Introduction, Reflection, Goals & Vision for Docks & Harbors** – Each Board Member talked about their motivation to become a Board member, what they hope to accomplish, and what their unique skill sets are?



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Mr. Etheridge – First involvement in the Harbors was being a live-aboard in Harris Harbor in 1960 and continued to be involved ever since. He has been a live-aboard, commercial fisherman, worked on harbors, and harbors is his life. He sees the improvements that can be done in our harbors and the infrastructure improvements in our harbors over the years. The original reason for becoming a Board member was he did not think the harbors was going in the right direction for improvements at that time. All the Board members were on the same page and a lot of improvements were done. His intent for being on the Board this time was he wants the momentum to keep going on our projects and to market our harbors. He works with the Legislature to help the Harbors get the funding needed and he has a great ability to talk to people.

Ms. Derr – She is finishing her doctorate in Social Science and her hope is to go into a masters of Public Administration. The Docks & Harbors Board has always been a passion of the her family and the harbors and the boating life in general is a part of multiple generations of her family. She is passionate about being here and moving the infrastructure forward. She is receptive to feedback. She is not shy and wants to get the word out about the harbors. She said she cares about her community and intends to serve her community in some fashion until she is unable to.

Ms. Smith – She said she was on the Harbor Board in the 80's. Her motivation for being on the Board was to bring a balance of user groups. There are different user groups left out and ignored. Another motivation is to help members of the community with issues and to listen to their concerns. The direction she would like to see Docks & Harbor go is the lightering dock (which is an issue of hers), develop the North Douglas Launch Ramp area, and a dock at the Echo Cove Launch area. She would like more opportunity for more users that do not have boats but waterfront users, such as dock fishing, swimmers, skateboarders, these people are part of the community but tend to be ignored. Another issue is the safety and security of our law abiding users. She would like the Zoom meetings eliminated and resume in person meetings because she feels she is not heard because she does not like to interrupt people. She would like to split out our committee work loads. She would like Operations and Planning split to ease the work load.

Mr. Becker – He was born and raised in Juneau. He commented that he wants to work with the Assembly for things that need to be built in Juneau like the second channel crossing that would open up a whole area where we could have some of the tourism efforts come from. He wants the plans he participated in early on as a Board member like the large vessel haul out facility, the Bridge to Norway point plan, purchase the UAS property, and Dock Electrification. His focus is build, build, build, straighten up, and clean up.

Mr. Grant – He moved to Juneau in the 80's from Anchorage so he could have a boat. He raced sailboats in his younger years. He has been in the different harbors. When he was told





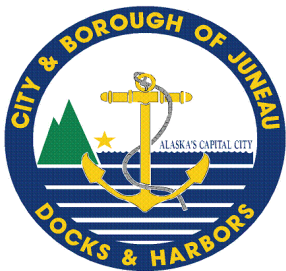
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about an opening on the Board, he felt it was time to give back to the community some of the enjoyment he has gotten out of the boat harbors over the years. When he was first selected to sit on the Board, an Assembly member came to him and told him to tell Carl to stop building stuff. It made him think about the pace we are building facilities. His first objective is to make sure the current facilities are properly managed. He believes there is one community group that we have not paid enough attention to and that is the group that objects to cruise ship traffic. He would like to hear as a Board what those people are thinking about and objecting to. He believes to build if it makes sense, we can afford it, and it does not impinge on other values that are more important. One group the Board has not heard from are the people that want to limit the amount of cruise ships and reclaim downtown. He would like to address that issue.

Mr. Wostmann – He said he has been in love with boating his whole life. He lived in the Netherlands and Amsterdam for a decade. He came to Juneau in 1981 and became a live-aboard in Harris Harbor for two years. He later bought a charter yacht and was a charter operator for twelve years. He brings to the Board his boating experience and time in the harbors. He started and runs a successful IT firm. He is good with numbers and finances. His goal is to use the knowledge and experience in numbers and finance to work with the Finance Sub-committee which he is currently chairing to bring some consistency to the way we set our rates. He feels strongly about doing something about the Statter Harbor breakwater. If it were to fail it would be a catastrophe. He is in favor of the small cruise ship facility, he would like to acquire the UAS property, improvement in the facilities that have services available for the commercial fishing fleet, and Docks Electrification. He would also like to hear why a group of people want certain limitations on cruise ships.

Mr. Larkin – Boating has been his whole life. He was in the Coast Guard, merchant marine, professional boater, worked on a cruise ship for a year, military sealift command for five years, and he has seen ports all over the world that were beautiful and amazing but then also the awful ports. He brings to the Board that he is not from Juneau Alaska and he has been in Juneau for only two years now so he brings an outside perspective. He will ask the questions why we are doing something and he hates the answer “because that is how we always did it”, and he will not accept that. The Board members are representative of the citizens to the Docks & Harbors. He is about safety and he wants to see safety ladders in the harbors. Another project is how to dispose of expired flares because there is no way possible in the United State currently. There is a commercial incinerator that can burn flares and ammunition for \$100,000. This is a purchase that needs to be relooked at to be able to get rid of some of these hazardous things. Right now, they are building up. The Airport has a JPD officer patrolling and maybe we could partner with the Airport to have that officer patrol the Airport part of the time and the Harbor the other part of the time.



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Mr. Ridgway – He has been in Alaska for over 50 years. He has been a commercial fisherman, and he loves boats. He joined the Board because of the removal of the lightering float. It was a paid for infrastructure that had multiple user groups and he was offended by the removal. He agrees with other Board members interests. He said he likens the future goals of Docks & Harbors to be more administrative in nature than more project related with preferred maintenance at the top of the list. He wants to be forward looking. He wants the asset management developed a little better so we can have the value of our assets and we know when they need to be recapitalized over time. He mentioned updating the By-Laws, security, and possible merging Docks & Harbors funds. He said he brings long meetings because he talks a lot.

Mr. Leither – He grew up on a lake in Minnesota. He started operating a small boat when he was ten and he has been on the water since. He bought a sailboat and he lives on it in Statter Harbor. He said he is on the Board because when the Board was talking about raising the live-aboard rates he started doing a lot of research, reading past Board minutes, attending meetings, and he found he enjoyed it and wanted to know more. He brings to the Board being a live-aboard, and he craves facts and numbers.

Mr. Uchytel experimented with a program called menti.com where he posted questions and the Board members used their phones to answer them. The menti questions and answers are attached to these minutes.

Mr. Uchytel showed the items under our values the Board members wanted to see -

### Service Excellence

- Professional
- Flexible
- Skillful Communicators
- Quality
- Responsive
- Solution oriented

### Continuous Improvements

- Innovation & Creativity
- Professional Development
- Proactive

### Integrity

- Responsible
- Accountable
- Trust Worthy
- Consistent



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Mr. Uchytel showed the action plan from 2014 and where staff wanted to go. A top priority was to get our people right so we developed a positive culture in the Department. Technology was important and we did those things, he pointed out several other things we have accomplished also. We developed a mission, vision, goals and an action plan.

How is the plan used in staff's daily routines?

The vision and mission is the foundation and we bring things staff is working on before the Board for approval.

Ms. Cosgrove gave her perspective as this is a policy level direction and Mr. Uchytel and staff follow through with the plan.

**IX. SWOT Analysis (Strength, Weakness, Opportunities & Threats)** – The Board members were split up into three groups where they discussed Docks & Harbors strengths, weaknesses, opportunities, and threats. After each group finished their analysis, they were brought back as one group and discussed in length what each group came up with. A combined all suggestions list was made which is attached to these minutes.

**X. Items for Information/Discussion**

Mr. Uchytel had the Board rank items on menti.com. The questions and answers are attached to these minutes. The whole idea for the menti.com was to find out what is most important to the Board.

**1. Financial**

Mr. Uchytel went through Harbors financials for FY21.

Question – Why is the bond debt increasing when we have been making payments?

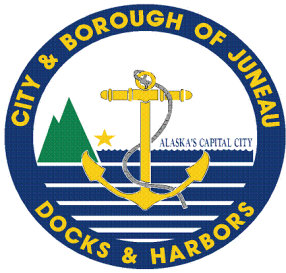
Comment – Mr. Uchytel said he would have Mr. Sam Muse from Finance come and explain at the Operations Committee meeting on Wednesday all the bond question all the members have.

Question – If we are talking about recapitalizing the Statter Breakwater future funding proposed, is that an actual grant application pending or is this something we need to think about?

Answer – For jetties, breakwaters, and groins, those are all the responsibilities of the Army Corps of Engineers. They do require local match in most situations. We need to do a feasibility cost analysis which will be up to \$3M and it will be a 50/50 match with the local community. Every level of the Army Corp thinks this is a great project. The project will be approximately a \$40M project and we will be responsible for 20%. There are ways to reduce our portion and we will be doing that when we get to that point.

Mr. Uchytel went through the Docks financials for FY21.

Question – Why did our expenses not go down when we had no cruise ships?



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Answer – We still have five or six full time employees that have half of their salaries attributed to the Docks Enterprises. We also have buildings to maintain and other fixed costs that we still have to pay. There was also half the expense to dispose of the Lumberman.

- a. Goals – See attached menti.com survey.
- b. Fiscal Priorities – See attached menti.com survey.
- c. Rate Study/Adjustment prior to adopting study

The rate study proposals are due on Tuesday. The Committee members will score the proposals individually and then get together as a Committee to select the preferred company for the contract.

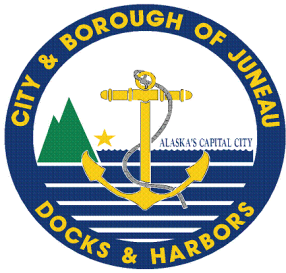
Comment – Looking at the Harbors balance sheet he sees in the last two years under terrible circumstances there was an increase in the fund balance both years. How much money does the Harbors need? Is that what we are hoping to get out of the study?

Answer - The financial reporting takes months and when there are no way to know where we are in spending, the spending is shut down to just keep the lights on. Staff had to put a lot of needed items on the back burner and now we have the money to move forward with some of the things that were not completed.

Question – what things were not completed that we maybe should have done in the last two years?

Answer - Delay in replacing infrastructure, example is the cranes were down for longer than they should have been, upgraded lights, cameras, lights at Douglas launch ramp, and lights at North Douglas. All those things we think should be done. They are tracked but they were not pursued. How much reserve should we have? Is the Board happy with the amount we have?

Comment – At the start of the pandemic when the Board realized there was a need for drastic adjustments to rates to accommodate for the commercial users seeing their business evaporate. Looking at the overall rate structure, we did cut way back on some fees but also realized some of the rates were not looked at in a decade or more. We decided there needed to be a more consistent look at rates. That is why the draft process was initiated through the Finance Committee. There is a need to adjust the rates due to the discrepancies between rates adjusted last year to ones that have not been adjusted in many years. As a Board, do we really have the expertise to say this is the proper and fair way to allocate cost. There was consensus that the Board members did not feel comfortable doing that. There are professional companies that do this valuation and determination type of work for a living and they can tell us what the proper cost should be for our facilities, how much a reserve there should be for maintenance, future growth, and matching funds for capital improvements. Some of the rates that are so far out the Board members may want to adjust them now but most



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of the rates will require the backup of the rate study to make sure we are being fair to all users.

Comment – The rate study is only going to be as good as the data we provide and if we do not have the data there will not be a great rationale for a specific rate. We can raise the rates by 5% across the board and not pay \$50,000 for a rate study.

Comment – The reason we had a fund balance is because we did not do the maintenance we needed to do. We still need to add lights at the Douglas launch ramp.

Comment – The fund balance should have one to two years of the cost for operations. This member is opposed to the rate study and it is a waste of money but will still stand with the board.

There was more discussion on the rate study topic. Not all the members were in favor of the rate study. The rates have not been raised for many years and they are all in agreement the rates need to be raised but they are not able to determine what the fair rate is.

### 2. Board Public Outreach & Participation – Roles & Assignments

Ms. Derr asked the members how they feel in outreach in general. There is many opportunity for outreach. What should we focus on as the outreach?

Comments from Board members -

Ms. Smith – She is happy to do presentations to groups.

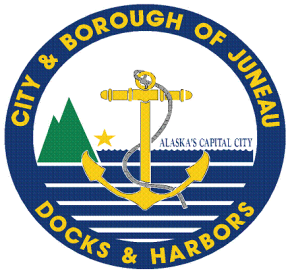
Mr. Grant - The message has to be consistent, coordination with staff, make sure the public attends our meeting, listens to what we are doing and has an ongoing opportunity to have input at that level. He suggested to have talking points.

Mr. Leither – As a live-aboard he is happy to do person to person outreach and he could write an editorial for the Board to review.

Mr. Etheridge – If we want public to attend our meetings, we have to reach out to them to get them to come in. The entire time he has been on the Board, the only time you get a room full of people is when you are increasing rates. We need to look at our communication between us and the public and us and the Assembly. The Board members should send a thank you to the Assembly members next week thanking them for their support and their continued support.

Mr. Ridgway – Encouraged Mr. Etheridge to be the leader of the message that should be presented out. Also, on a day before a meeting, he suggested to post our agenda on our facebook page and let people know about the meeting and encourage them to participate.

Ms. Derr suggested to send one thank you to the whole Assembly and then assign a Board member a specific Assembly member to send a thank you to. She likes having talking points.



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Mr. Etheridge will assign a Board member to an Assembly member.

### 3. Capital Projects, Plans and Prioritization

#### a. CIP List

Mr. Schaal provided a quick overview of the list and talked about process and what he will need at the Operations meeting on Wednesday. The list is attached to these minutes.

There was a request to have more detail about the projects in the list and what is the most important in terms of need for staff.

There will be a survey monkey sent out for the Board members to rank the list by their priority.

There was a request to let the Board members know what services can and cannot be performed at Docks & Harbors office locations.

Marketing Strategies was going to be worked on by Mr. Ridgway and Ms. Derr.

Mr. Uchytel will send out the CLIAA lawsuit to all the Board members.

There was a request to have a list of specific user needs.

#### b. 1% Sales Tax Projects

#### c. Board Member Wish list

### 4. Advancing the common good

#### a. COVID Strategy – Docks & Harbors operations

#### b. Expectation of Staff

#### c. Staff request of the Board

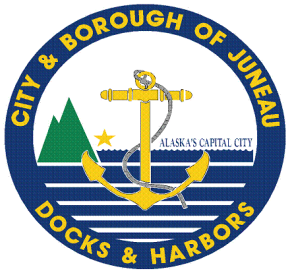
### **The following retreat information was copied from the Operations meeting held on November 10<sup>th</sup>.**

#### 1. Follow up to Board Strategic Retreat

Mr. Uchytel 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 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





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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 over the 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

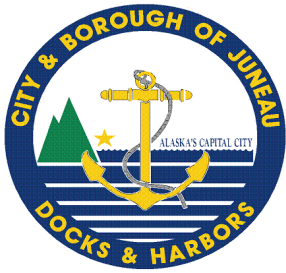
Mr. Wostmann asked since you have not yet taken into account the amortization of the bond, the payment in the prior year represents the payment toward interest and the interest is in the expense line and not the debt service line?

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.

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



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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. Uchtyl 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. Uchtyl 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. Uchtyl 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.

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



## **DOCKS & HARBORS STRATEGIC RETREAT MINUTES**

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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.

### **XI. Good of the Order**

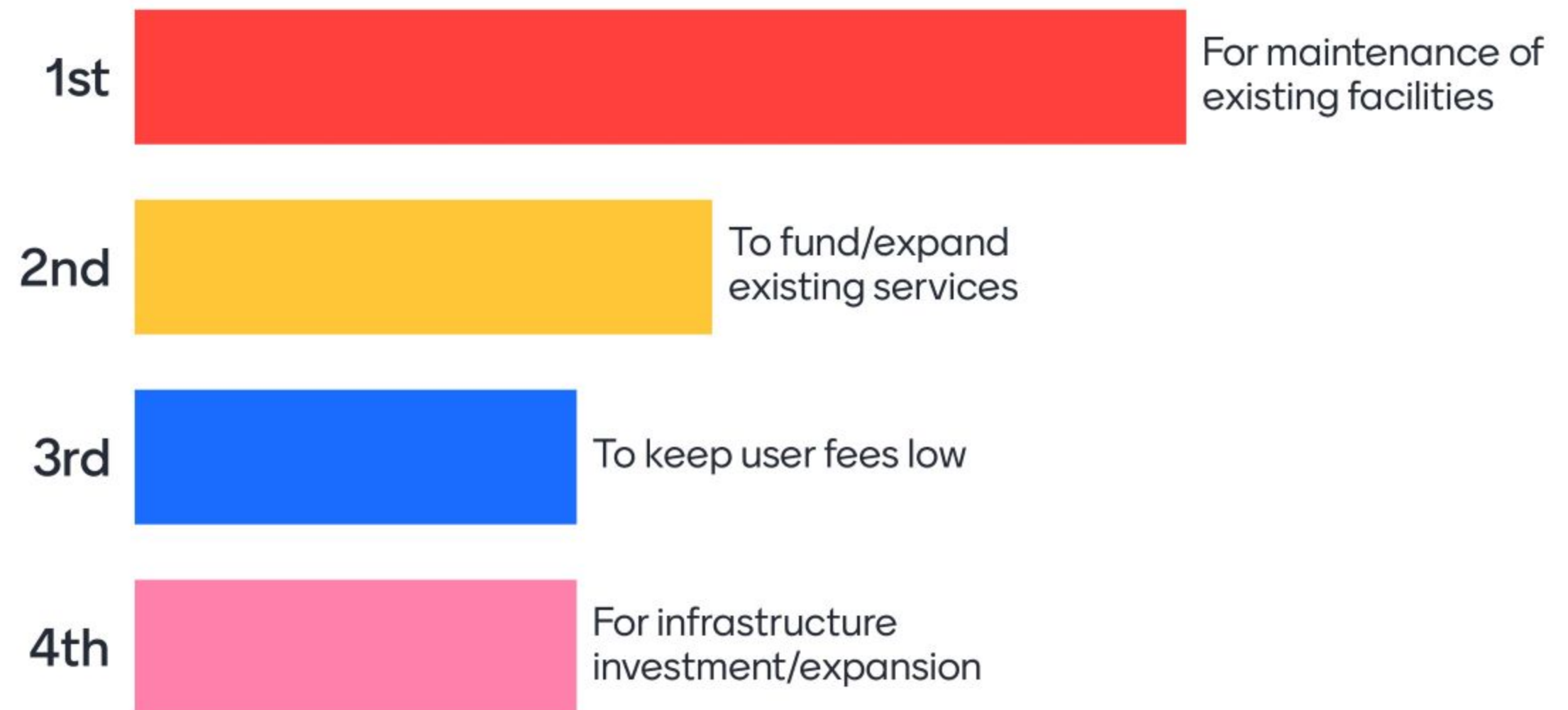
### **XII. Adjournment –**

**Friday November 5th – 9:19pm**

**Saturday November 6th – 3:37pm**

**Wednesday November 10th**

# What is the Board's primary fiscal responsibility?







<b>Strengths</b>	<b>Weaknesses</b>
<p>Highly skilled, experienced staff with excellent leadership  Dedication to continuous improvement  Established flow of Information/work processes  Major investments in infrastructure/newer facilities  Focused on serving different user groups  Responsive to public input  Skilled and varied board members with a willingness to engage  Strong seasonal experience with limited turnover  Training opportunities for staff  Institutional Knowledge  Open Communication/staff/Board/CBJ Assembly  Recent Assembly support  Finances  Rate Study  Rapport with external groups  Good alignment with staff and Board  Succession planning  Technology platforms/Lucity</p>	<p>Limited public input  Lack of funding  Limited live aboard facilities  Knowledge transfer/access to issues over time  Aging infrastructure  Additional COVID staffing  Balance of user needs vs. fiscal stability  Security services  Communication(could improve)  Public understanding of how Docks &amp; Harbors operates  Staffing  Limitations of City wide processes  CBJ Assembly communication/perception  Geography/distribution of facilities  Large single use facility  Succession planning  Span of control  Lack of rate study – lack of data</p>
<b>Opportunities</b>	<b>Threats</b>
<p>Beautiful waterfront  Cruise ship schedule is published  Federal funding (COVID – Climate Change)  Community support for hard changes (dock electrification)  Increase in recreational use  Supportive/active assembly  Community focus on tourism impacts  Engage the public  Maritime focused community  Improve marketing strategy  Support for current and new user groups  Support of City processes  Public private partnerships  Changing markets – commercial, recreational, tourism, military, residential</p>	<p>Housing crisis  Pandemic Future  Natural disasters  Climate change  Demographic changes and impacts on use  Commercial fisheries under pressure  Inflation costs &amp; supply chain issues  Rising crime  Economic uncertainty  Political uncertainty  Community focus on tourism impact  Lack of funding for operations and projects  Geographic threats (DOT as an example)  CBJ &amp; Assembly  Competing public interest  Changing markets – commercial, recreational, tourism, military, residential  Perception/reality of downtown development focus  Other Southeast Harbors</p>

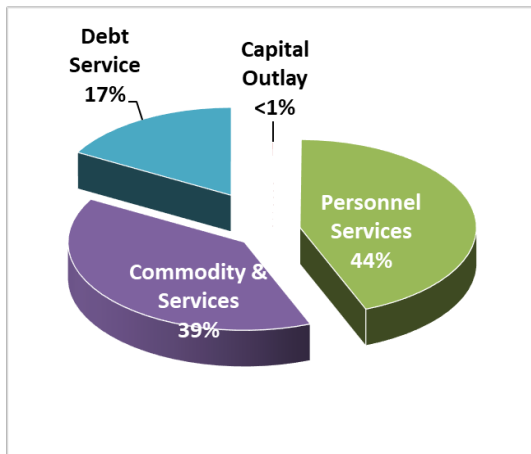


# DOCKS & HARBORS FINANCIAL HEALTH

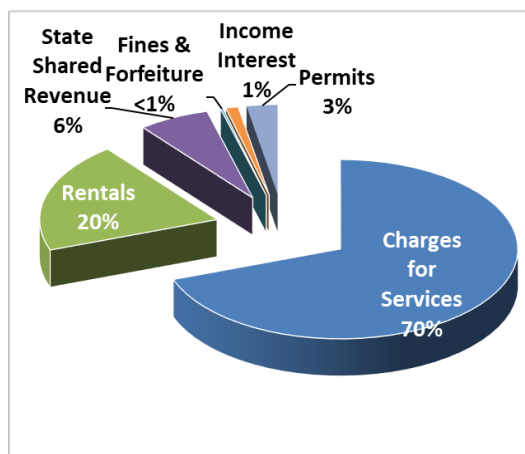
## Available Fund Balance Summary

<b>Harbors Fund</b>					
Last Update: 11/2/21					
	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Budget	FY23 Budget
Revenues:	4,227,700	4,570,689	4,076,370	4,240,000	
Expenditures:	(3,206,900)	(3,181,726)	(3,004,430)	(3,525,000)	
Transfers to/from Capital Projects	-	-	-	-	
Debt Service	(639,900)	(646,325)	(656,736)	(737,600)	
***Other Financing Sources (Uses):	(29,537)	(211,029)	(7,048)	52,500	
<b>Increase (decrease) in Fund Bal (FB):</b>	<b>351,363</b>	<b>531,609</b>	<b>408,156</b>	<b>29,900</b>	<b>-</b>
Beginning Available FB	213,002	564,365	1,095,974	1,504,130	1,534,030
<b>Ending FB, including Bond Reserve:</b>	<b>564,365</b>	<b>1,095,974</b>	<b>1,504,130</b>	<b>1,534,030</b>	<b>1,534,030</b>
Less Reserve	(749,500)	(782,344)	(791,859)	(791,859)	(791,859)
<b>Ending Available Fund Balance</b>	<b>(185,135)</b>	<b>313,630</b>	<b>712,271</b>	<b>742,171</b>	<b>742,171</b>

### Harbor Enterprise **Expenditures** (typical)



### Harbor Enterprise **Revenue** (typical)



2007 Harbor Bond Services - ~\$10.2M  
 Auke Bay Loading Facility - \$4.4M  
 Harbors deferred Maintenance - \$4.4M  
 DeHarts Marina - \$1.4M  
 Refunded (i.e. refinanced) in 2015  
 ~\$740K annual payments to FY2033

#### Grant Applications Submitted:

- Juneau Fisheries Terminal – Design Efforts (\$3M RAISE)
- Juneau Fisheries Terminal – Drive Down Float (\$10M PIDP)
- Aurora Harbor Phase III (\$2M ADOT Harbor Facility Grant)

#### Future Funding Proposed

- Recapitalization Statter Breakwater (USACE)
- TBD (October 2022 CBJ 1% Sales Tax Initiative)
- BIF/BBB Federal Bill (~\$15B for US ports & harbors over 5 years)

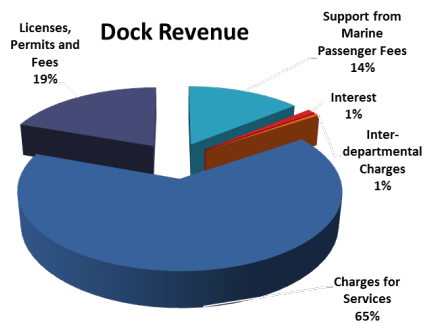
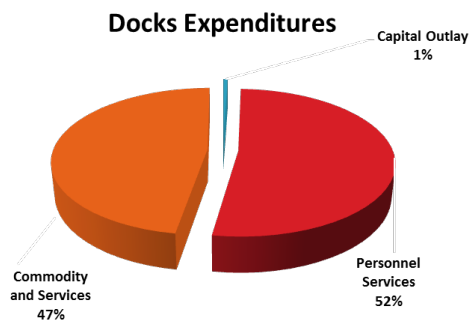
# DOCKS & HARBORS FINANCIAL HEALTH

Proposed CBJ Assembly transfer to Harbors Enterprise

UAS/Juneau Fisheries Terminal (\$2.88M) – proposed at 11/1 COW

## Available Fund Balance Summary

<b>Docks Fund</b>					
Last Update: 11/2/21					
	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Budget	FY23 Budget
Revenues:	2,028,300	1,290,600	62,434	415,100	-
Expenditures:	(1,711,100)	(1,399,191)	(1,282,693)	(1,400,000)	-
Transfers to/from Capital Projects	(2,235,000)	-	-	-	-
Debt Service					
***Other Financing Sources (Uses):	428,045	417,907	449,290	447,500	-
<b>Increase (decrease) in Fund Bal (FB):</b>	<b>(1,489,755)</b>	<b>309,316</b>	<b>(770,969)</b>	<b>(537,400)</b>	<b>-</b>
Beginning Available FB	3,769,378	2,279,623	2,588,939	1,817,970	1,280,570
<b>Ending FB, including Bond Reserve:</b>	<b>2,279,623</b>	<b>2,588,939</b>	<b>1,817,970</b>	<b>1,280,570</b>	<b>1,280,570</b>
Less Reserve	-	-	-	-	-
<b>Ending Available Fund Balance</b>	<b>2,279,623</b>	<b>2,588,939</b>	<b>1,817,970</b>	<b>1,280,570</b>	<b>1,280,570</b>



### Grant Applications Submitted:

Dock Electrification (\$25M RAISE)

Small Cruise Ship Infrastructure (\$25M RAISE)

Small Cruise Ship Infrastructure (\$25M Economic Development Administration (EDA) BBB grant)

### Future Funding Proposed

Small Cruise Ship Infrastructure (\$10M EDA – ARPA Travel, Tourism & Outdoor Recreation grant)

BIF/BBB Federal Bill (~\$15B for US ports & harbors over 5 years)

### Proposed CBJ Assembly ARPA transfer to Docks Enterprise

~~\$1M to Docks Enterprise Fund Balance removed at 11/3 AFC~~

~~\$1M to construct Seawalk Guard Rail removed at 11/3 AFC~~

\$3M to construct Statter Phase IIIC (uplands)

~~\$3.4M~~ \$2.5M for Seawalk improvements (@ Marine Park & elsewhere) lowered at 11/3 AFC

## DEPARTMENT CAPITAL IMPROVEMENT PRIORITIES

For D&H Board Review and Ranking for Discussion at the Wed, November 10th Ops Meeting

**Docks**

Project Name	Priority	Estimate	Project Notes
Dock Waterside Safety Railings		\$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.
Small Cruise Ship Infrastructure		\$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.
NOAA Dock Acquisition		\$3,000,000	Related to Small Cruise Ship Infrastructure Project. Possible property purchase or improvements.
Downtown Waterfront Improvements Ph II (Restrooms)		\$3,000,000	On hold due to City Museum. Completes design and constructs a new restroom and waiting area at the Peratrovich Plaza.
Shore Power at Cruise Ship Berths		\$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.
Deck Over at People's Wharf		\$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.
Lightering Float Replacement		\$650,000	Replaces removed lightering float to provide a public float that accesses the water in the vicinity of Marine Park
Total		\$36,650,000	

**Harbors**

Project Name	Priority	Estimate	Project Notes
Statter Harbor Passenger for Hire Ph IIIC		\$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.
Aurora Harbor Rebuild - Ph III		\$4,000,000	Rebuilds North Aurora, could be combined with Aurora Ph IV
Aurora Harbor Rebuild - Ph IV		\$5,000,000	Rebuilds North Aurora, could be combined with Aurora Ph III
UAS Downtown Property Purchase		\$3,000,000	Purchase of the Fisherman's Terminal crane dock, tidelands, float, travel lift pier and uplands used by the boat yard.
Juneau Fisheries Terminal Development		\$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		\$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
Auke Bay Non-Motorized Coastal Transportation Link		\$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.
Cost Share w/ ACOE - Statter Breakwater Feasibility Study		\$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.
Aurora Harbor Dredging - Tug Slips		\$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.
Wayside Float Maintenance Dredging		\$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.
Auke Bay Net Repair Float		\$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.
North Douglas Boat Ramp Improvements		\$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.
Aurora Harbormaster Building and Shop Replacement		\$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.
Douglas Harbor Uplands Improvements		\$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		\$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
Fish Sales Facility - Harris Harbor		\$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.
Taku Harbor/Stockade Point Float Replacement		\$300,000	Parts of the Taku Dock and Stockade Point float are nearing their useful life. This project plans and designs their replacements.
Total		\$92,800,000	

Docks & Harbors Totals: \$166,100,000