

**DOCKS & HARBORS
FINANCE SUB-COMMITTEE
MEETING MINUTES**

Wednesday, February 23rd, 2022

Via Zoom

- I. Call to Order** – Mr. Wostmann called the February 23rd, 2022 meeting to order at 5:01pm via zoom meeting.
- II. Roll Call:** The following member attended via zoom or in person at the Port Directors Conference Room. Lacey Derr, James Becker, Matthew Leither, Don Etheridge and Bob Wostmann.

Also Present: Matthew Creswell – Harbormaster, Benjamin Brown – CBJ Law, and Teena Larson – Administrative Officer.

Absent: David Larkin, and Mark Ridgway

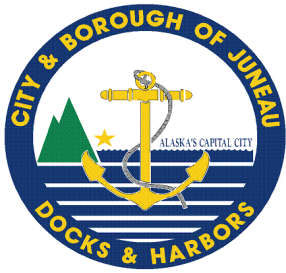
- III. Approval of Agenda**
MOTION By MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

- IV. Public Participation on Non-Agenda Items - None**
- V. Approval of Wednesday February 9th, 2022 Finance Sub-Committee Meetings Minutes.** Hearing no objection the minutes of February 9th, 2022 were approved as presented.
- VI. Items for Information/Discussion**
1. Pre-Hearing Discussion - Dockage Charges (05 CBJAC 15.030)
 2. Pre-Hearing Discussion – Application of CPI to Title 05 - Chapters 15, 20, 30 & 40
Mr. Creswell said number one and two under the information for discussion are for this committee to review and decide the best way to receive public input. There are 25 fees that will need a motion.

Committee Discussion-

Mr. Etheridge commented the Dockage Charges change should not have any issues but he would like to hear from Mr. Brown on the proposed changes from the last Operations Committee meeting to the Omnibus regulations. There were small changes to the regulation requested by the Board after the initial advertisement and he asked Mr. Brown if this would need to go back out with another 21 day notice.



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Mr. Brown said the CBJ ordinance that allows for regulation changes and adoption of regulation allows a regulation to be adopted at the meeting that was advertised for 21 days as long as the notice placed people on a reasonable notice that the final product could be something that could affect their interest. All of the changes he worked with Mr. Uchtyl and Ms. Larson that the Board requested to make fell within the content of the original advertisement and would not need to go back out. The last sentence was changed to say, “The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year, or increase the fee in an amount less than the CPI adjustment”. If this is adopted tomorrow night as is, this will fit within the code. Even if the Board decided tomorrow night to increase the fees with a larger amount than the CPI that would also fall within the notice.

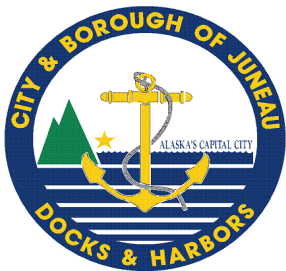
Mr. Etheridge asked if the Board could go up or down on a CPI increase anytime they wanted to?

Mr. Brown said “anytime you wanted” could be a big enough change from the original advertisement that stated the CPI would be applied on an annual bases at the start of the Fiscal Year or Cruise Ship season, and if the Board wanted to raise fees three times the amount of the CPI, those type of changes would be a substantial difference to need to go back out to advertise an additional 21 days. He said working from Ms. Larson’s direction that the Board did not want to be locked into applying the full CPI or nothing, he added the language that the Board by motion could decide on a lesser fee up to the CPI. He asked if having an increase greater than the CPI may be an outcome from tomorrow nights meeting?

Mr. Etheridge said he is not anticipating any changes, but there has been one member want to have the capabilities to choose to apply the CPI or a lesser amount. The other thing was to tie all the fees together so they were all applied at once.

Mr. Brown said the way this was crafted was to allow for an increase for any of the individual fees which will be automatic for the CPI increase and can be less by motion. If it is the will of the Board tomorrow to want to add language to raise fees by a greater amount than the CPI, he still believes that falls within the parameters of the regulation change because people were put on notice that these fees are changing.

Mr. Wostmann commented for the Board to stay within the intent of the notice that has gone out would be to choose the CPI or a lesser amount than the CPI and to only do an increase once per year.



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Mr. Brown said the Board could have an emergency situation and can go out with a 21 day notice. These regulations are putting in an automatic inflation adjuster. The Board always has the ability to raise rates by going out with another 21 day notice.

Mr. Wostmann commented how this is written is the Board can choose to do one fee and not others. If there are rate increases beyond the CPI or drastically changing a rate we would need to go back out with a 21 day notice.

Mr. Brown said that is correct.

Mr. Wostmann asked if changing this to say “all rates or no rates would be changed”, would that need to go back out to a 21 day posting notice?

Mr. Brown said possibly. Someone would have to make the argument the Boards action fell outside the parameters of the code. It is a policy decision. There is a reason why these fees are in separate regulations and these fees affect different people. He said from his perspective if you try to change all of them at once, that will seem more arbitrary than giving each regulation the attention it needs. It is more work but there is a reason there is more work.

Mr. Etheridge commented he agrees they should be separate. Some of these fees could get too high if they just keep going up and be too expensive for our users. Being individual we can elect to not increase some fees.

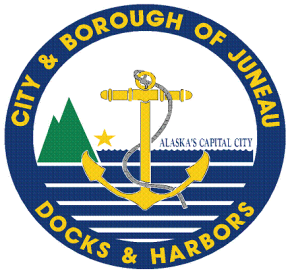
Mr. Leither asked if there are specific rates he is thinking about. He said inflation is inflation.

Mr. Etheridge said some of the fees inflation does not affect and some fees like cranes could be priced out of business.

Mr. Wostmann commented this also gives us the opportunity to fine tune rates within a narrow margin. If there is a need for a reassessment of a rate, than there is a whole different procedure for that. The default is to have the CPI applied as is.

Ms. Larson commented the other change from the last meeting was the fees associated with cruise ships will be changed at the start of the seasonal cruise vessel year April 1 – November 1.

Mr. Wostmann asked about thoughts on the process for allowing public comment?



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Mr. Creswell said there will be 25 different motions and he just wanted discussion on ideas for the process.

Mr. Etheridge said he wanted to take each regulation change separately and set a time limit for each item. This will allow for more public involvement. There will be a motion for each regulation change.

There was more discussion on the best process to receive the public comment.

Mr. Etheridge recommended to allow for public comment at the beginning and then to allow for public comment under each item.

Mr. Wostmann commented that there could be people wanting comment on more than one item but to still have 25 separate comment times.

Mr. Leither wanted to make sure that the public had the opportunity to provide comment after Board questions on each item.

Mr. Wostmann confirmed that the public will have input before the regulation changes and after Board questions under each regulation change.

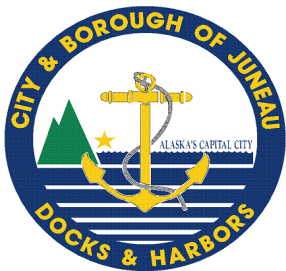
Public Comment –

Mr. Kirby Day, Juneau, AK

Mr. Day said he believed the change to have some of the fees be adjusted by CPI before the cruise ship season and not the fiscal year was from his request. That way fees will not need to be changed in the middle of the season.

3. Proposal – Statter Harbor Moorage Fee Surcharge

Mr. Leither went over his proposal in the packet on pages 30 and 31. He came up with this proposal after the Committee chair asked members to brainstorm ideas to generate additional revenue. This proposal adds a 25% surcharge for permanent moorage at Statter Harbor in addition to regular moorage rates. The 25% is just a number he picked. Based on the current rates, this additional surcharge would generate \$47,367 per year. The proposal is based on a supply and demand which suggests that our demand can support this relatively modest surcharge. This is not to force people out but they could go to



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transient moorage. He said he has spoken to patrons in Statter Harbor that would be willing to pay double the current rate for the privilege of permanent moorage. This is a luxury and he believes people should pay more for that. He was wondering if there are other harbors out there managed as transient and it would be interesting to compare. He agrees with this plan. There was also comment to send this proposal to the rate study.

Committee Discussion-

Mr. Wostmann commented after the last meeting this was discussed at we asked the Port Director to forward to HDR to include in the rate study currently in progress.

Ms. Larson said this was sent to HDR and questions on this proposal can be asked of Mr. Tony Homan tomorrow night at the Regular Board meeting.

Public Comment - None

4. Incentivizing Harbors Rate to encourage Green Technologies

Mr. Creswell said there is a letter from Bruce Weyhrauch in the packet on page 32 and 33. The letter is requesting Docks & Harbors amend or adopt regulations or ordinances that provide for, or modify the basis for, assessing docking, anchoring, and lightering fees in order to offer incentives for vessels using Juneau's docks and harbors facilities, which vessels employ the use of green technologies.

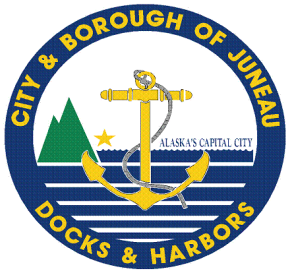
Committee Discussion –

Mr. Etheridge said he responded to Mr. Weyhrauch in a letter that he did not believe the Board would want to be offering discounts until we have our finances in order. Giving a discount to one while raising all the other fees would be an insult to injury.

Mr. Wostmann agreed that this would not be something to do at this time. After our fees are in place we could look at this again. This is a big topic and needs a lot of discussion.

Public Comment - None

VII. Sub-Committee Action Items – Mr. Wostmann recommended the members prepare for the Special and Regular Board meetings tomorrow night.



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VIII. Good of the Order – None

IX. Next Meeting – March 9th, 2022 @ 5:00pm

X. Adjournment – The meeting adjourned at 6:07pm.