

**CBJ DOCKS & HARBORS
OPERATIONS/PLANNING COMMITTEE**
Meeting Minutes – February 16, 2022

I. Call to Order

The CBJ Docks & Harbors Operations/Planning Committee Meeting, held in the Port Director's conference room and broadcasted virtually via Zoom, was called to order by Committee Chair Ridgway at 5:00p.m.

II. Roll Call

Committee Members Present: Lacey Derr, Paul Grant, David Larkin, Matthew Leither, Bob Westmann (via Zoom); James Becker, Don Etheridge and Mark Ridgway.

Committee Members Absent: Annette Smith

Staff Present: Port Director Carl Uchytel, Harbormaster Matthew Creswell, Port Engineer Erich Schaal, Administrative Officer Teena Larson, and Tourism Manager Alexandra Pierce.

III. APPROVAL OF AGENDA

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

Hearing no objections, the motion passed by unanimous consent.

IV. Public Participation on Non-Agenda Items - None

V. Approval of January 19, 2022 Operations/Planning Meeting Minutes

Hearing no objection, the January 19, 2022 minutes were approved as presented.

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business

1. [CY2021 Urban Alaska CPI](#) & FY23 Harbor Rates

Mr. Uchytel asked members to see page thirteen in the agenda packet. The Urban Alaska Consumer Price Index (CPI) increase for FY23 is 4.9%. The rate sheet shows the increase, although, Statter Harbor does not increase by the CPI, rather the same dollar amount as Aurora Harbor, Harris Harbor and Douglas Harbor. This was voted on by the Board several years ago so Statter Harbor moorage did not increase its rates at a higher amount. This CPI increase is locked in unless the Board would like to take action to stop the adjustment.

Committee Questions

Mr. Ridgway asked about Statter Harbor and if the difference in the CPI adjustment is in regulation.

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Mr. Uchtyl said going forward the Statter Harbor rate will be adjusted by CPI and not the same as the downtown harbors.

Public Comment - None

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO ACCEPT THE CY2021 URBAN ALASKA CPI OF 4.9% AND APPLY THE RATE INCREASE TO ALL RELEVANT FEES AND ASK UNANIMOUS CONSENT.

Hearing no objections, the motion passed by unanimous consent.

IX. Items for Information/Discussion

1. Introduction of CBJ Tourism Manager – Alexandra (Alix) Pierce

Mr. Uchtyl introduced Ms. Pierce and welcomed her to the meeting. Ms. Pierce works directly for the City Manager. Ms. Pierce previously worked for the City and Borough of Juneau Community Development Division (CDD).

Ms. Pierce spoke about her roll to help the City Manager and relieve some of the duties relating to tourism and the cruise ship industry. Ms. Pierce has been working with the Port Director and Port Engineer on projects like the Long-Range Waterfront Plan Amendment for the Juneau Cruise Ship Terminal. She is also working on dock electrification and the political aspect of that. Ms. Pierce has taken over the Marine Passenger Fee Program and started a group called Port Communities of Alaska. The purpose of this group is to share goals and challenges related to being a cruise port. The Port of Seattle and the Port of Vancouver have both reached out with interest in joining the group. She also works on community relations with regards to tourism.

Committee Discussion

Mr. Ridgway said an interest of the Board is small cruise ship and yacht marketing.

Public Comment

Mr. Kirby Day – Juneau, Alaska

Mr. Day said he thinks Ms. Pierce will do an excellent job. This position will be a big job and he has worked with Ms. Pierce in the past. Mr. Day and Ms. Pierce are working very closely together along with Tourism Best Management Practices (TBMP).

2. Update – February 24th Public Hearing CPI Adjustment Omnibus

Mr. Uchtyl asked members to see page fifteen in the agenda packet. This is the latest version of the CPI omnibus regulation package. The next public hearing for this omnibus is on February 17th, 2022 at the Special Board meeting. Mr. Uchtyl has been working with the Law Department to get this out for public notice. One small change from what the Committee has seen previously is the cruise ship season dates are now from April 1st

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to November 1st. He also mentioned there could be public interest with this regulation change. Many rates have not increased in fifteen years and they will be going up almost 5%. Mr. Uchytel said he is in the process of deciding if the Board should vote on each fee separately and ask for public comment, or do it as an omnibus.

Ms. Larson asked members to see page seventeen in the packet. This is where the change is located removing language requiring Statter Harbor to increase fees at the same amount as the Downtown/Douglas harbors.

Mr. Grant asked about the wording that gives the Board the right to take action to keep the fee the same as the previous year. This is listed on each regulation making it so the Board can pick and choose what rates would be adjusted by CPI instead of doing it universally. Mr. Grant is also concerned this wording would limit the Board from doing a partial adjustment. He wanted to know if this locks the Board into either a full increase or no increase.

Mr. Ridgway said he agreed with Mr. Grant and would like the Board to have the ability to do a partial adjustment.

Mr. Uchytel said he understands the desire to have the flexibility. He is not sure if this would be a substantive change and require us to go back out to public notice.

Mr. Wostmann has the same concern. With the CPI going the way it is this year and possibly the next few years, the increase could be substantial. A future CPI could go as high as 8% and we as a board might only want to raise it 5%. He would also like a statement listing the two components of the rate, one being the base rate and one being the CPI adjustment.

Committee Discussion

Mr. Grant said his concern with the language being the same for each regulation is we could start a fight between user groups. He thinks the CPI adjustment should be universal for all rates, whether it is kept the same as the year before or raised by a percentage. He would like to avoid any implication we are providing favoritism to certain user groups.

Mr. Ridgway said a separate regulation that limits the Board to only apply the CPI uniformly across all rates might help alleviate his concern. Mr. Ridgway is not supportive of the Board being required to do that and overly restricting their power. He can see a user group banning together and petitioning the Board to not raise their fee, while other groups see their fees increase.

Mr. Becker can see the Board only raising rates by 2% instead of 5%. He does not want to get in the position where rates are not being raised for fifteen years again.

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Mr. Uchytel said he can have a discussion with the Law Department and see if the language could be changed. He will also find out if the change will require us to restart the public notice process.

Mr. Ridgway said it might be worth it to just remove the sentence saying “The Docks and Harbors Board may, by motion, take action to keep the fee the same as the previous year.”

Mr. Grant said he would feel better if that sentence was removed as well. He would also like to discuss creating a regulation that goes over all rates and makes the CPI adjustment universal.

Ms. Larson said this sentence gives the Board the authority to change the CPI adjustment without going to the Assembly for approval. Any time we do a rate adjustment that is not already in regulation you will need to get the Assembly’s approval first.

Mr. Grant and Mr. Ridgway said that clarity changes their thinking on removing the sentence.

Mr. Wostmann asked if we needed a regulation to apply the CPI adjustment uniformly or if we can just add something that says “It is the intention of the board to adjust the CPI uniformly to all user groups.”

Mr. Ridgway said he thinks it is best to discuss this with the Law Department to get better clarification on the best way to move forward.

Mr. Larkin asked if there was a way to have a regulation that says the CPI adjustment will apply to the following rates, and list them.

Mr. Uchytel said he would like a representative from the Law Department to come to the Finance Sub-Committee meeting next week, then again, the Board meeting the following night. He also made a comment about binding future Board’s decision making and how we always hope each Board will make the best decision for the community.

Mr. Ridgway said he had Ms. Larson run some preliminary numbers and it looks like with the FY23 CPI adjustment we can count on approximately \$100,000 more in revenue.

Ms. Derr commented on how to present this motion at the Board meeting. Due to public comments and wanting to give the community a chance to give input we should go line by line for each regulation.

Public Comment

Mr. Dennis Watson – Juneau, Alaska

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Mr. Watson said Docks & Harbors is spending a lot of money on a rate study. This study was supposed to let everyone know what a fair appropriate rate is for each fee. He is concerned you will run into the squeakiest group will get the reduction. The harbors have been on a CPI adjustment for many years and it has worked. The conversations he is hearing tonight from the members is familiar. He cautions the committee to not set itself up for more problems than they can handle.

3. Statter Harbor Facility – Repairs, Needs & Recommendations

Mr. Schaal gave an update on Statter Harbor and the repairs needed for the D Float strand failure. It has been temporarily secured and he is in the process of going out to bid for the repairs. That bid opening is scheduled for Tuesday, February 22, 2022. There are some changes with completion dates due to workloads this summer and the challenges with procuring materials. He changed the substantial completion date to the middle of May with the final completion due in June. If the bids come in under \$100,000 the Board can approve the project, if it comes in over \$100,000 it must go through the Assembly. We are putting this loss through as a claim with our CBJ insurance.

Docks and Harbors is working with the Marine Exchange of Alaska to install a weather sensor on the Statter Harbor Breakwater. Storm events are having more of an impact at Statter Harbor and we would like to have real-time monitoring there. Mr. Schaal said last week there was another storm event causing concrete damage on the main walk. It was not a complete failure of the float and repairs were able to be made. There was also a failure of an intermediate tensioning unit (ITU) bolt on C Float. He thinks this failure is in direct relation to the mooring actions of the U.S. Coast Guard Cutter Liberty. The replacement bolt and labor runs about \$2,000. Mr. Schaal also shared photos of past damage that is once again happening on the Statter Harbor Breakwater energy dissipating units. The failed units are about ten years old.

Mr. Schaal spoke about Statter Harbor Phase IIIC. This project is for the uplands and adding amenities for the new passenger for hire floats. Currently we are talking about scaling back on Phase IIIC. Originally we were planning to build restrooms and a commercial spot for a restaurant or other businesses. We received \$3M from the Assembly but with today's material and labor costs we do not think we will be able to get as far as we hoped.

Committee Discussion

Ms. Derr asked if the harbors downtown are seeing similar weather events.

Mr. Schaal said Statter Harbor is in a more precarious situation because of its location and age. Our downtown harbors are protected with large rock barriers and breakwaters. Statter Harbor is open and large enough when waves and high winds come from a certain direction there is a lot of energy and force put on our structures. The Breakwater helps but is nowhere as effective as a large rubble mound barrier.

Mr. Ridgway asked about future failures and how we budget for these types of expenses.

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Mr. Schaal said we are entering a period where we will see more failures due to the age of the facility. The larger risk is if we have a storm event that overwhelms the facility and we see more than an ITU bolt failure but significant concrete sections could fail. This definitely builds our case to the U.S. Army Corps of Engineers about our need for the wave attenuator.

Mr. Wostmann asked Mr. Schaal what the cost estimate was for the reduced scope of work for Phase IIIC.

Mr. Schaal said Docks & Harbors wants to create and build as much as possible with the budget given. He is hoping to have at least enough to pave the lot and build the restrooms.

Mr. Leither asked if we have an expected lifespan for Statter Harbor. When it was built was it estimated to last 30-50 years, or is there an age we should be expecting.

Statter Harbor was built by the Alaska Department of Transportation in the mid 1980's. There are some inconsistencies with the records and Mr. Schaal was unsure if there was a lifetime expectation when it was being built. He feels most of it is in very good shape.

Mr. Larkin asked if we plan to construct the Phase IIIC building so it could take on a second story if money were to become available at a later time.

Mr. Schaal said the conditional use permit from the Planning Commission stated no CBJ monies could be spent on the second floor. We will make sure the foundation can accommodate a second floor but further development will be paid for by private funds.

Public Comment

Dennis Watson – Juneau, Alaska

Mr. Watson asked if the Breakwater Float has sunk over time. He can remember it being higher out of the water than it is now.

Mr. Schaal said he would need to look into the As Built plans and see if it was supposed to be higher than it is now.

Mr. Watson said he thinks more water is coming over the Breakwater even with moderate winds. He is concerned this current failure and repair will cause the next float down to fail. He gave an example of the failure on the C Float a few years ago, then the next float down failed.

Mr. Schaal said he works closely with the Harbormaster to make sure we are allowing the proper size vessels to tie up.

4. American Society of Civil Engineers (ASCE) Juneau Branch – Project of the Year

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Mr. Schaal said Docks & Harbors was very fortunate to receive this year's Outstanding Project of the Year award from the local American Society of Civil Engineers. The award was for Phase IIIA and IIIB at Statter Harbor. Docks & Harbors was also in the running for the Downtown Waterfront Improvement Project. (Presentation cut short due to technical difficulties)

Committee Discussion - None

Public Comment – None

X. Staff & Member Reports

Mr. Uchtyl said next week there is a Legislative Fly-In for American Society of Civil Engineers (ASCE) from around Alaska. They will provide an updated engineering infrastructure report card for the state of Alaska. This will be presented on Gavel to Gavel and at the State Capital. Mr. Uchtyl was the author of the Ports and Harbors section of the report card. He is also a member of the ASCE and plans to be in Washington D.C. for the National Fly-In to lobby on behalf of ASCE. There is also a Fly-In for the Alaska Association of Harbormasters and Port Administrators (AAHPA) next week that Mr. Uchtyl and Harbormaster Creswell will be hosting. We will be lobbying for the full funding of the Alaska Department of Transportation Grant Program. Mr. Uchtyl also spoke about the upcoming Finance Sub-Committee meeting next week and asked Mr. Wostmann to be thinking about agenda items.

Mr. Ridgway spoke about Ms. Angel Holbrook – Executive Secretary for the AAHPA. He has been in contact with her and it seems many Alaskan harbors and ports are struggling with setting rates. It seems many harbors are also spending down their fund balances similarly to us. He asked if there has ever been any discussion on banding together and doing a regional rate study.

Mr. Uchtyl said the Alaskan harbors are very cordial and tend to share information freely. He is not aware of a group rate study ever being done.

Ms. Derr asked staff about the amount of derelict vehicles at the harbors. She was wondering if the Board can do anything to help with the problem or funding needed.

Mr. Creswell said he is happy to report he has already started dealing with this problem. He said he has changed the process and it is working. He is putting a 30 day notice on the vehicles for abandonment. It is a 55 day process until we are able to remove the vehicles and dispose of them. We are required to auction any vehicle that is worth money. He also said our new Harbor Security Officer is in charge of this process and is doing amazing. JPD dispatch has also been helping us tremendously and bending over backwards to get us contact information for registered owners. There is a \$1,100 disposal charge to the registered owner if Docks & Harbors removes and disposes of the vehicles. We get in contact with the owner and let them know about the free recycling project through CBJ and how much cheaper it will be to dispose of the vehicles themselves.

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Mr. Etheridge said he echoes Mr. Creswell's statement. There has been a vast improvement in the number of vehicles being removed. He is very happy with Mr. Creswell and the Harbor Security Officer for putting in so much work to get these vehicles removed, and most of the time without it costing us any money.

Mr. Becker asked if there is still a problem finding the lot space to put impounded vehicles.

Mr. Creswell said that was under the old policy where we were required to work with JPD to get vehicles impounded and taken to their lots. Recently we created a new process after working with the Law Department where we are able to impound vehicles in-place, then dispose of them. This new process is done entirely through Docks & Harbors and we do not need to involve JPD or worry about their lot space availability.

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting – **Wednesday, March 23rd, 2022**

XII. Adjournment – The meeting adjourned at 6:48pm.