

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

Wednesday, April 12th, 2022

City Hall Room 224

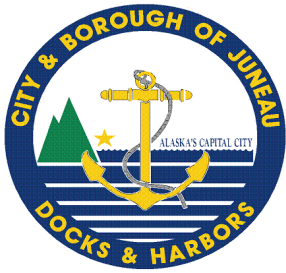
Zoom Meeting: <https://bit.ly/3qNGzNg>

Meeting ID: 822 6060 0960

Passcode: 207351

Call In: (253)215-8782

- I. **Call to Order** – April 12th, 2022 at 5:30 pmin City Hall – Room 224.
- II. **Roll Call** (Lacey Derr, James Becker, David Larkin, Matthew Leither, Mark Ridgway, Don Etheridge and Bob Wostmann)
- III. **Approval of Agenda**
- IV. **Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time)
- V. **Approval of Wednesday March 22nd, 2022 Finance Sub-Committee Meetings Minutes.**
- VI. **Items for Information/Discussion**
  1. Budget Preparation for Assembly Finance Committee (AFC)  
Presentation by Port Director  
  
Committee Discussion/Public Comment
  2. Harbor Rate Study – Selected User Group Discussion  
Presentation by Port Director  
  
Committee Discussion/Public Comment
- VII. **Next Meeting** – April 27th, 2022 @ 5:00pm
- VIII. **Adjournment**



## DOCKS & HARBORS FINANCE SUB-COMMITTEE MEETING MINUTES

Tuesday, March 22nd, 2022  
Via Zoom

- I. **Call to Order** – Mr. Wostmann called the March 22<sup>nd</sup>, 2022 Finance Sub-Committee meeting to order at 5:00 p.m. via Zoom.
- II. **Roll Call** – The following members attended in person at the Port Directors conference room: James Becker, Matthew Leither, Don Etheridge and Bob Wostmann.

Absent: Lacey Derr, David Larkin and Mark Ridgway

Also present: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer and Nichole Benedict – Administrative Assistant.

### 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 March 9th, 2022 Finance Sub-Committee Meetings Minutes.** Hearing no objection, the March 9<sup>th</sup>, 2022 Finance Sub-Committee minutes were approved as presented.

### VI. **Items for Information/Discussion**

#### 1. Amendment to FY23/FY24 Biennial Budget

Mr. Uchtyl shared a PowerPoint presentation showing the adjustments to the FY23/FY24 biennial budget due to insurance and fleet maintenance increases. There is also an increase to projected revenue due to the CPI adjustments and Marine Passenger Fees.

Fleet Maintenance increased \$9,900 from the projected costs given in January 2022. The more significant rate increase was to the Property Insurance. Mr. Uchtyl shared a list of insurance premiums paid by each department/division. Within the last month, the Finance Department met with the Risk Manager and decided the premiums needed to be increased by \$1.1M overall. This raised our property premiums from \$296,000 to \$426,400.

Mr. Uchtyl also shared a spreadsheet showing all of the property claims by department from FY08 through FY21. Docks & Harbors had a few significant claims over \$200,000. Since 2014 claims have risen significantly city-wide. He mentioned two large claims that are not on the spreadsheet yet, our property claim for the D Float damage and the



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Riverbend Elementary School sprinkler disaster. They are predicting the sprinkler damage could be upwards of \$3M. In FY22 the deductible was raised from \$100,000 to \$500,000, leaving the property fund balance in the negative.

The next spreadsheet showed the property values by department and their percentage of the total property owned by CBJ. Below are the top five.

- School District - \$353,827,385 at 34.2%
- Public Works - \$205,932,918 at 19.9%
- Bartlett Hospital - \$107,050,000 at 10.4%
- Harbors - \$61,236,789 at 5.9%
- Docks - \$61,236,789 at 5.9%

Mr. Uchtyl said he was able to get the Finance Department to approve splitting the insurance premiums at 60% for Docks and 40% for Harbors. The updated budget shows an increase in Commodities and Services for the Docks Enterprise of \$108K for FY23 and \$78K for FY24. Potential salary increase from the ongoing MEBA Union negotiations are not included in the budget. This amended budget is also now showing the increase in revenue for the recently adopted CPI adjustment.

Mr. Leither said he understood from the last meeting that our budget was about \$40K in the negative. He asked if we had already made up our ground with the CPI adjustment increase and the added \$300K from Marine Passenger Fees.

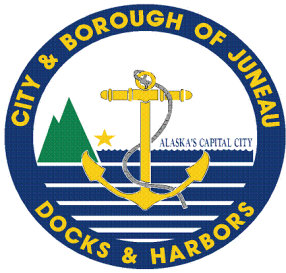
Mr. Uchtyl said that was correct. We are no longer in as dire of a situation as our original budget from January 2022.

Mr. Wostmann and Mr. Uchtyl discussed the math when adding the Commodities and Services line and the amount of the Fleet and Property Insurance. Mr. Uchtyl offered to show every line item in the budget if members wanted to see the whole picture again.

Mr. Wostmann confirmed the budget presented was looked at and approved by the Finance Department.

Mr. Etheridge asked for clarification on the splits between the Harbor and Dock Enterprises.

Mr. Uchtyl said the budget will probably change again when the MEBA contracts are negotiated. This is a reasonable approach to addressing the financial situation. These numbers are not something staff did alone but in concert with the Finance Department.



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Mr. Wostmann said he was satisfied with the budget changes and explanations tonight. He would like to set aside some time to meet with Ms. Larson to dig into the underlying numbers.

Mr. Leither said he was also happy with what was presented tonight.

Public Comment – None

Committee Discussion

Mr. Etheridge recommended to forward this revised budget to the Operations/Planning Committee and agree to the 60/40 split for the property insurance premiums.

**VII. Next Meeting** – April 13<sup>th</sup>, 2022 at 5:00 p.m.

**VIII. Adjournment** – The meeting adjourned at 5:31 p.m.

## Cruise Line Discussion Questions

1. What do your passengers currently pay to the Docks Enterprise (i.e., not other fees) on a per passenger basis when debarking?
2. How does this compare to other port of calls in Alaska?
3. How does this compare to other eco ports of calls in the Americas?
4. What is the typical fare that your passengers pay for an Alaskan cruise?
5. What are the total costs that a passenger typically pays for the entire trip (i.e., cruise, air fare, extra costs onboard, spending at port of calls, etc.)?
6. What are the primary reasons your passengers book an Alaskan cruise?
  - a. How important are port of calls to a typical passenger?
7. What are the primary reasons for your passengers visiting Juneau?
  - a. Anything special that you don't have on other calls?
8. Given all the above reasons and costs, do you think passengers would not take an Alaskan cruise if there were a modest increase in the passenger fee?
9. Given they would take the cruise, would that fee affect the decision to debark in Juneau?
10. If not, would it result in less dollars spent while in town or would be viewed as just a minor cost that wouldn't much effect total spending?

## Charter Discussion Questions

1. Is your client base local or out of state?
2. For out of state clients, what other activities are they doing while in Alaska?
3. How important a component of their trip is the charter?
4. What do you typically charge for a charter and what percentage is based on moorage fees?
5. Assuming you currently pass on fees?
6. If there were a modest increase in fees, would you pass it on?
7. Given the mix of activities and your clients reasons for coming to Alaska, would a modest increase in fees affect their decision to book a charter?
8. Do you currently pay daily or monthly rates? Transient or reserved?
9. What advantages are there to monthly?
10. Are there waits to be able to reserve monthly?
11. Implied daily rates from going monthly is about  $\frac{1}{4}$  of daily, if you use monthly do you think this is a good deal?
12. If monthly rates increase modestly, would you still go monthly?
13. Would you pay more for increased service?
14. What would choose between increased fees to maintain service or reduced fees without an increase in fees?

## Commercial Fisheries Discussion Questions

1. Why do you currently use Juneau's harbor facilities?
2. What are the advantages?
  - a. Ease of access? Proximity to shore side facilities?
3. If you switched to other facilities, what types of costs would be involved?
4. What percentage of your costs are related to moorage fees?
5. What are your top 2-3 cost drivers?
6. If moorage fees increased, would you pass on these costs in the marketplace?
7. Do you currently pay daily or monthly rates? Transient or reserved?
8. What advantages are there to monthly?
9. Are there waits to be able to reserve monthly?
10. Implied daily rates from going monthly is about  $\frac{1}{4}$  of daily, if you use monthly do you think this is a good deal?
11. If monthly rates increase modestly, would you still go monthly?
12. Would you pay more for increased service?
13. What would choose between increased fees to maintain service or reduced fees without an increase in fees?

## Live Aboard Community Discussion Questions

1. Why do you choose to live here and not somewhere else?
2. What other live aboard options do you have?
3. Do you currently pay daily, annual, or monthly rates?
4. What advantages are there to annual or monthly?
5. Is guaranteed space an issue?
6. Is there currently a wait time for space?
7. If so, do you think there are people willing to pay more?
8. Would you pay more for increased service?
9. What would you choose between increased fees to maintain service or reduced fees without an increase in fees?
10. If fees increased modestly, would you still be part of the community?
11. What are all your annual costs of having a house boat?



## Rec Users Discussion Questions

1. Why do you use harbor facilities?
2. What type of value to you get?
3. What other options do you have, and why do select harbor facilities over those options?
4. Are you willing to pay more for improved access or beautification projects?
5. What type of rate do you pay (daily, monthly)?
6. Is there currently a wait list for slips or is there a problem getting one during peak times?
7. Would increased fees alleviate that situation?
8. If fees went up modestly, what would you do?
9. The implied daily rate from paying monthly is only about  $\frac{1}{4}$  of the daily rate? If it were to increase would monthly users decrease and why?
10. What would choose between increased fees to maintain service or reduced fees without an increase in fees?

## Launch Ramp Users Discussion Questions

1. Are you recreational or commercial?
2. Daily or annual rates?
3. What benefit to you get from using the facilities?
4. What is the primary purpose of launches?
5. What are your options and why do you prefer Juneau instead?
6. Is there currently wait lists for annual permits?
7. Are there issues with availability of daily?
8. What would choose between increased fees to maintain service or reduced fees without an increase in fees?
9. For both residential & commercial, implied daily rate is only about 2% of the current daily rate. If annual rates increased modestly, what do you think would happen?
10. What other options are there to summer parking in Statter?
11. When you go out, what are your total trip costs (fuel, etc.)?
12. What other cost drivers do you have?
13. How much are launch fees of all your costs?



# Port of Juneau

City & Borough of Juneau • Docks & Harbors  
155 S. Seward Street • Juneau, AK 99801  
(907) 586-0292 Phone • (907) 586-0295 Fax

**From:** *Carl J. Uchytel*  
Port Director

**To:** Docks & Harbors Finance Sub-Committee

**Date:** October 8<sup>th</sup>, 2021

**Re:** Defining Docks & Harbors User Groups

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1. I was asked to define various user groups who frequent our facilities:
  - a. Recreational vessels users (with reserved moorage or transient) at any of our four small boat harbors.  
*Docks & Harbors estimates approximately 1000 boat slips in the four harbors. It is an estimate because of the transient nature of Statter Harbor as well as the north end of Aurora demolished. The vast majority of our patrons have access to water, electrical and year-round sewage discharge.*
  - b. Summer seasonal yachts and luxury charters typically with reservations at the IVF, PFO and Statter Breakwater.  
*Docks & Harbors manages visiting yachts and luxury charters between 65 feet and 300 feet which typically will make reservations ahead of arrival.*
  - c. Small boat harbors live-aboard community  
*It is estimated that one in five of all vessels in our small boat harbors pay a live-aboard, Resident Surcharge of \$69/month for residing more than 3 days per month.*
  - d. Commercial fishing vessels at any of our four small boat harbors  
*Commercial fishing vessels are estimated to make up approximately 150 vessels in the four small boat harbors. This user group routinely uses the Auke Bay Loading Facility drive down float, the Douglas Harbor Breakwater, Taku Harbor, Taku Dock and the cranes at the Juneau Fisheries Terminal.*
  - e. Commercial charter vessels at any of our four small boat harbors  
*Predominately this user group leverages the facilities at the Statter For Hire Floats and the Auke Bay Marine Station.*
  - f. Commercial boatyard activity at the Downtown Boatyard and Auke Bay Boatyard  
*Docks & Harbors leases two boatyards to Harri Commercial Marine (Downtown) and Karl's Auto & Marine (ABLF) for \$29,307 and \$36,000, respectively.*
  - g. Commercial tide land and other leases  
*Docks & Harbors has 42 active leases with private parties for use of CBJ managed property.*
  - h. Commercial downtown vendor booth sales  
*Up to eleven vendor brokerages operate three separate sales booths along the downtown waterfront. The minimum application fee is \$30,000 per permittee.*
  - i. Commercial regional freight hauling activity at the Auke Bay Loading Facility  
*Approximately five freight hauling companies have utilized the services at the ABLF to haul freight throughout SEAK. The companies pay a commercial loading rate.*
  - j. Launch Ramp users at any of our six launch ramp facilities

Approximately 1500 launch ramp decals are issued yearly to local residents for the privilege of using the six launch ramp facilities (Douglas, N. Douglas, Harris, Statter, Amalga & Echo Cove). Permits are required for truck and trailer operations as well as for kayak launching. There is no fee to launch a kayak at Amalga Harbor due to funding from ADF&G. Additionally, five companies in Juneau have purchased commercial launch ramp permits.

- k. Large Cruise vessels using Alaska Steamship Dock, Cruise Ship Terminal Dock & PFO float  
*Approximately 300 cruise ships call on the CBJ owned docks or the lightering float each summer.*
- l. Small Cruise vessels using IVF and Inside Cruise Ship Terminal  
*The National Geographic brand, US flagged small cruise ships use Juneau as a turn-around port.*
- m. Transportation companies using the Cruise Ship Terminal Staging Area, Columbia Lot & Brickyard.  
*Docks & Harbors manages the downtown parking lots which are also fed from the AJ Dock.*
- n. Private Vehicle Parking Lots. *From May to October, Docks & Harbors charges for parking at the Taku Lot, Statter main parking lot and Statter Launch Ramp.*
- o. Miscellaneous non-revenue users such as Wayside Park Float, Seawalk, Taku Harbor.

	Location <sup>1</sup>	Revenue Generated (CY19)	Number of Users
Recreational vessels	DH, HH, AH, SH	\$1,738,250	~1000 slips
Seasonal yachts & luxury charters	IVF, ICT, SH B/W	\$188,685	51 vessels & tenders
Live-aboards	DH, HH, AH, SH	\$111,090	~135 registered
Commercial Fishing	DH, HH, AH, SH	\$306,750 <sup>2</sup>	15% of all slips (est.)
Passenger for Hire	SH & Downtown	\$181,465	58 companies
Boatyard Leases	Downtown & Auke Bay	\$65,307	2 users
Commercial leases	Throughout CBJ	\$935,534	42 leases
Vendor Booth Permits	Downtown Seawalk	\$270,000	9 permit holders
Commercial Freight	ABLF	\$5,870	4 users
Launch Ramp User	6 launch ramps	\$148,253	2039 permits issued
Cruise Ships - Large	CT, AS, PFO Lightering	\$1,550,3570	~300 calls on CBJ docks
Cruise Ships – Small	ICT & IVF	\$12,606	5 vessels
Tourism Transportation Companies	Brickyard, CSTSA, Columbia Lot, SH	\$124,395	52 Companies
Parking - POV	Taku Lot, SH/SH Ramp	\$167,311	Many
Non-revenue users	Seawalk, Wayside Float, Taku Harbor, CBP Office	\$0	Many

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<sup>1</sup>DH = Douglas Harbor; HH = Harris Harbor; AH = Aurora Harbor; SH = Statter Harbor  
 IVF = Intermediate Vessel Float; ICT = Inside Cruise Ship Terminal Dock; PFO = Port Field Office Float  
 CT = Cruise Ship Terminal Dock; AS = Alaska Steamship Dock  
 CSTSA = Cruise Ship Terminal Staging Area; ABLF = Auke Bay Loading Facility

<sup>2</sup>Harbors Enterprise also received \$447,000 through the State Fisheries Business Tax