

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

Wednesday, June 8th, 2022

Via zoom meeting - <https://bit.ly/3yhQIaC>

Call In: 253-215-8782

Meeting ID: 814 1946 6050

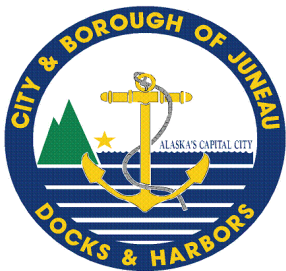
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- I. Call to Order** – June 8th, 2022 (following the 5:00 pm Special Board Meeting) in CBJ Room 224 and via Zoom.
- II. Roll Call** (Lacey Derr, James Becker, David Larkin, Matthew Leither, Mark Ridgway, Don Etheridge and Bob Wostmann)
- III. Approval of Agenda**
- IV. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time and will only be taken via Zoom)
- V. Approval of Wednesday May 11th, 2022 Finance Sub-Committee Meeting Minutes.**
- VI. Items for Information/Discussion**
 1. Harbor Rate Study - Update
Presentation by Port Director

Committee Discussion/Public Comment
 2. FY22 Docks Enterprise - Supplemental Budget Administrative Action
Presentation by Port Director

Committee Discussion/Public Comment
 3. Statter Harbor Seasonal Parking Management Policy
Presentation by Harbormaster

Committee Discussion/Public Comment
- VII. Next Meeting** – June 21st, 2022 @ 5:00pm
- VIII. Adjournment**



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I. Call to Order – Mr. Wostmann called the May 11th, 2022 meeting to order at 5:00 pm in the Port Directors Conference Room and via zoom.

II. Roll Call – The following members were in attendance: Lacey Derr, Matthew Leither, Don Etheridge and Bob Wostmann)

Absent – James Becker, David Larkin, and Mark Ridgway.

Also in attendance – Matthew Creswell - Harbormaster, and Teena Larson – Administrative Officer.

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 Tuesday April 12th, 2022 Finance Sub-Committee Meeting Minutes.
Hearing no objection, the April 12, 2022 minutes were approved as presented.

VI. Items for Information/Discussion

1. 1% Sales Tax Initiative Projects – Harbor Enterprise

Mr. Creswell said Mr. Uchtyl’s memo is in the packet starting on page seven. At the March 31st Regular Board meeting the members agreed to rank order projects for the 1% sales tax initiative. The ranking is available on page nine of the packet. We have three more meetings to finalize our list so it can be forwarded to the City Manager so he can provide it to the Assembly. The Assembly is going to rank order projects versus assigning a pot of money to departments. This is how it has been done in the past. The five projects that were highest ranked from our March meeting were -

1. Aurora Harbor Phase III/IV: Mr. Creswell said this project area has been demolished with a nice fully dredged harbor basin waiting for reconstruction. In 2017 Harbors received \$1.5M from the 1% sales tax initiative and we committed \$500,000 from Harbor fund balance to give us \$2M total. Staff recently applied for an ADOT matching grant and as it sits right now that grant is funded but it was vetoed by the Governor last time. If the grant goes through, we would have \$4M for the project and so the ask here would be for additional funds for this project.



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2. **Wayside Park Maintenance Dredging:** Mr. Creswell said this is a 100' float that grounds at low tides and it cannot keep doing this for much longer because it will deteriorate and break. This is a heavily used roadside fishery location used by Juneau citizens. In 2014 the estimate to dredge this area was \$350,000. Since then there has been more sediment and it will cost more today. Today's estimate would probably be over \$500,000.
3. **Douglas Harbor Uplands Improvements:** Mr. Creswell said the Harbor has been improved but nothing with the landscape. There has been regular input from the locals to have this completed. The estimate to complete this would be scalable up to \$2M.
4. **North Douglas Boat Ramp Improvements:** From the surveys that went out last year there was positive public input for improving and building a larger north Douglas launch facility. This launch ramp is used more and more and with the potential for a second crossing this could become an even busier launch ramp facility. Moving this project forward would rely heavily on grant money, state money, and harbor match.
5. **Cost share w/ACOE –Statter Breakwater Feasibility Study:** As of Tuesday morning this made the Army Corp Bill. If this passes, it will start the process of a new start. A feasibility study needs to be done as phase I of this project. We do have a cost share for this project. This could go as high as \$3M and we would be responsible for half. There are options for other funding streams and the Port Director is exploring the options.

The following two projects have been developing information which may influence the Board's decision.

1. **Public-Private Partnership (P3) with the Marine Exchange of Alaska (MXAK):** There was talk initially to have something built under the bridge but they are running into insurmountable issues with ADOT regarding air rights and right of ways. The next option is in partnerships with Docks & Harbors constructing where the Aurora Harbor office and shop is located. If we wanted to go this route, we could share some costs and it would get us out of three old buildings. These buildings are past their useful life. The cost share could be \$1M to \$1.5M. It is an interesting opportunity.

2. **Taku Harbor Recapitalization:** Most of Taku Harbor was rebuilt in 2005. The unique thing about this facility is that it links to land which was accomplished by reusing the old Amalga Harbor boarding floats. The floats are 200' and way past their useful life. The first section has currently broke off and sitting four foot lower than the other section. Staff made two trips to Taku Harbor to try to do the needed repairs and there will be one



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more trip next week to do the final repair. There is potential for matching funds from the ADOT Harbor grant program or through the Dingell-Johnson Sport Fish Restoration Act. This is a 75/25 match and the project could be scalable. Staff estimates a \$1M project and our match would be \$250,000. This is used heavily by our harbor patrons.

Committee Discussion

Aurora Harbor Phase III/IV:

Ms. Derr said she did stop by and look at the three Harbor Office buildings. These buildings are very small and she would recommend looking into the private/public partnership with Marine Exchange more.

Mr. Wostmann recommended to focus on the costs of each of these items and what is the maximum and minimum for each of these projects.

Mr. Etheridge said Aurora Harbor reconstruction could be adjusted to complete what we have money for. He does not see additional funds from the State budget being available again this year.

Mr. Wostmann asked what is the minimum amount that could still get something done on this project?

Mr. Etheridge said just the head float is \$4M.

Mr. Creswell said with the \$2M we currently have and getting a 50/50 match that would give us \$4M and that would get us the approaches and the head float.

Mr. Wostmann said to be able to build anything useable we would need to ask for \$2M.

Mr. Etheridge said probably \$3M.

Mr. Creswell said his recommendation is to ask for \$3M for the Aurora Harbor Phase III/IV.

The Wayside Float Maintenance Dredging –

Mr. Etheridge said because this is used so much by the Community it will rank high.

Ms. Derr asked if the \$500,000 will be enough to fix the float too if it needs it?



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Mr. Creswell said there has been float issues and it would be good to have extra money for the float.

Mr. Wostmann suggested \$750,000 would be a better amount.

Mr. Leither asked if this has been dredged before?

[Mr. Dennis Watson said the link he was sent for this meeting does not work and he was calling in but he would like the correct link.]

Ms. Larson sent the one on the agenda but Mr. Creswell also commented that did not work.

Mr. Watson said he would continue to listen in.

Mr. Leither asked if the Salmon Hatchery has special requirements for the dredging. Will this area be allowed to be dredged?

Mr. Creswell said there will be multiple permits involved and DIPAC would be involved.

Douglas Harbor uplands - This has an estimated cost of \$2M.

Mr. Creswell said this could be a scalable project and we would just need to figure out what we could get for \$2M.

Mr. Etheridge said he thought that would get us the sidewalk, landscaping, and lighting.

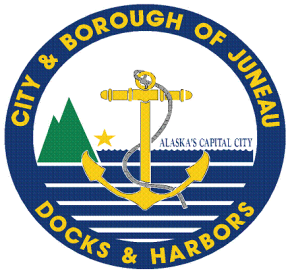
Ms. Derr asked if this included bathrooms.

Mr. Creswell said this does not. Staff is in discussions currently about rebuilding the Savikko Park restrooms across the street.

North Douglas Boat Ramp Improvements:

Mr. Etheridge said this will cost \$20M for the 100 vehicle parking lot. The minimum would be \$5M. We could get a matching grant for this.

Mr. Creswell said this would be eligible for a Tier 1 DOT matching grant which currently maximum ask is \$5M. This project would have a long timeline due to complicated right of way issues and other issues with that area. It would be available for several funding streams.



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Mr. Wostmann asked if there is anything to do in the interim for the parking and he remembers the floats to be short and rickety.

Mr. Creswell said the floats are removed in the fall due to the orientation of the facility and the winter winds. The conceptual design shows the launch ramp on the East side which would be out of the predominant winds. With the current location, anything installed would just get hammered. This does not mean we could not improve what we have to some degree but it does not make sense to sink a lot of money into our current facility when it will get torn up. There could be uplands improvements but there is not a lot of space and until we increase the space, there is not really a whole lot to do.

Mr. Etheridge said this is a project that will need to be a long term design and funding stream to make this a worthwhile venture. He agrees that any floats put in with the current position of the floats would still need to be removed for the winter months.

Mr. Wostmann asked if the next phase of this project would be planning and engineering, and what would it cost?

Mr. Creswell said we could ask for money for this project for permitting and design. He does not know what that would cost.

Mr. Wostmann said this could be another project the Assembly will receive a lot of local comment and could likely make it high on the Assembly's list. He suggested to get an Engineer's estimate for the next Operations meeting.

Mr. Etheridge asked to get an estimate from Mr. Schaal for the next Operations meeting.

Statter Breakwater Feasibility Study –

Mr. Wostmann said he remembers Harbors would need to come up with \$1.5M for this project.

Mr. Creswell said zero to \$1.5M is his understanding. The way it is written is the study could cost up to \$3M and we would be responsible for half up to \$1.5M. The hope is that we can get a partnership with local tribal authorities to reduce or take away our cost sharing.

Mr. Wostmann asked what would be the motivation for an organization like Tlingit and Haida to partner with us on that?



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Mr. Creswell said he would prefer to leave this to Mr. Uchtyl to answer because he has been working on this but he believes it has to do with local economic development and access to traditional fisheries and waters.

Mr. Wostmann said this project will stay at \$1.5M.

Public Private Partnership with Marine Exchange of Alaska – The cost for this is \$1M to \$1.5M

Ms. Derr said as much as she would like to keep pursuing this, she is unsure if this will be high on the Assembly's priority list. This may be a project we need to figure out how to fund.

Mr. Etheridge asked if there has been any discussion on a lease for this area?

Mr. Creswell said there is talk about it but nothing has been determined.

Mr. Etheridge suggested to look at a long term lease for zero dollars if they put forth all the funds to build.

Mr. Creswell said that is being discussed.

Mr. Wostmann asked what would be provided for the \$1M to \$1.5M for this project?

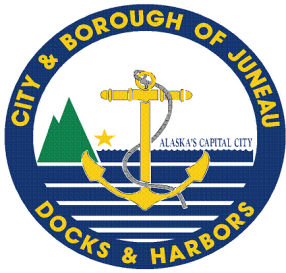
Mr. Creswell said right now there are just conceptual drawings with potential floor plans and the building could cost \$400 to \$600 a square foot for construction with the shop area being less and the office, bathrooms and laundry facilities being more. The facility would be 2,500 to 4,000 square feet. We are looking to get a shop, admin office, staff offices, a break room area, bathrooms, and showers.

Mr. Wostmann asked if that is part of the construction costs that would fall to us?

Mr. Creswell said we may be a little premature to say that and he wishes he had a better number.

Mr. Wostmann commented that this amount is a rough estimate and we may need additional funding for this project.

Taku Harbor Recapitalization –



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Mr. Wostmann said the current estimate is \$5M which would allow us to do alot. The minimum would be to just replace the current sections which estimates would be \$750K to \$1M participating with Fish & Game in a 75/25 split.

Mr. Creswell said he would like to talk to the Port Director on this project and put a call into Fish & Game to see what they think our funding capabilities would be.

Public Comment - None

2. Taku Harbor Revenue Challenges & Opportunities

Mr. Creswell said this was put on the agenda due to questions. The state gave this facility to Docks & Harbors and this is our facility. Taku Harbor is heavily used by recreational boaters, cabin users, as well as the commercial fishing fleet. This is a vital facility. The wind blows pretty heavily in that area and he has seen as many as 40 boats staged there to get out of the winds. When different user groups understand that Docks & Harbors is responsible for maintaining this area, some of the user groups do not want harbor's revenue used on something they do not use. Others see it as an extension of the downtown harbor system. The question is often asked, "why do we not charge for the use of Taku Harbor". The simple answer is that it costs us more to go collect any revenue than it would to charge for it. A boat ride to Taku Harbor is easily \$1,000 with fuel, maintenance, and a minimum of two staff to take the boat out of the harbor. There has been discussion of an honor system pay box put in at that location but that would also mean you need to go there and get the money. It is really difficult to think of a way to fairly charge for a facility that is 30 some miles from where we are at without any enforcement. It is somewhat similar to Echo Cove but that is a 30 minute ride from Statter Harbor and there is a requirement for launch ramp permits but the enforcement is just 30 minutes away and we are able to make sure people are paying for the use of that facility. This is an open public area that there is no ability to charge for. For the last issue with the pile jacking at Taku Harbor we were able to obtain Fish & Game money 75/25 match money and we were able to get all the pilings repaired. We have a way to lessen our cost to maintain that facility with other available funding. Asking for 1% funds would be appropriate for this project.

Committee Discussion

Ms. Derr asked if there is a sign at Taku Harbor with a suggested fee for the use of Taku Harbor and they can pay online.



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Mr. Wostmann said there is no cell coverage at this location.

Mr. Leither said it would be interesting to talk to Sitka because they have the same situation with the Warm Springs Bay dock. They have a sign at that location that says you are required to call ahead of use and have a permit to be at that location. It would be interesting to hear if they make any money off of that area.

Mr. Wostmann said in the past he purchased that permit. We could offer someone free moorage for monitoring and keeping the area clean, and then contact the Harbor Department if there is a maintenance issue that needs to be dealt with. They would also collect a fare fee from boaters using the Harbor. There is no power and so anyone going to take this on would need to be self-sufficient. Every couple weeks the person could leave for a couple days and go get more groceries and fuel and come back. He was issued a permit when he was a commercial operator and he also needed to report how many people he took ashore and was charged on the honor system a fee per person. That would be a good model to look at.

Public Comment - None

VII. Next Meeting – May 25th, 2022 @ 5:00 pm. The location of this meeting is currently at CBJ Room 224 and via Zoom but it may change to the Aurora Harbor conference room.

VIII. Adjournment – The meeting adjourned at 6:00 pm.

Docks & Harbors Approved FY23-24 Biennial Budget

OVERVIEW

	FY21 Actuals	FY22		FY23 Proposed Budget	FY24 Proposed Budget
		Amended Budget	Projected Actuals		
EXPENDITURES					
Personnel Services	\$ 665,800	700,000	854,600	1,300,500	1,313,000
Commodities and Services	632,000	700,000	742,200	982,000	976,800
Capital Outlay	-	1,000	6,000	-	-
Support to:					
Marine Passenger Fee	-	-	-	-	-
Capital Projects	-	-	-	-	-
Total Expenditures	1,297,800	1,401,000	1,602,800	2,282,500	2,289,800
FUNDING SOURCES					
Interdepartmental Charges	15,100	15,100	15,100	15,100	15,100
Charges for Services	49,500	330,000	1,090,000	1,730,000	1,760,000
Licenses, Permits, and Fees	-	-	-	-	-
Investment and Interest Income	12,900	70,000	21,300	21,300	21,300
Support from:					
Pandemic Response	-	-	-	-	-
Marine Passenger Fees	97,500	448,500	448,500	717,000	717,000
Port Development Fees	-	-	-	-	-
State Marine Passenger Fees	351,000	-	-	-	-
Capital Projects	-	-	-	-	-
Total Funding Sources	526,000	863,600	1,574,900	2,483,400	2,513,400
FUND BALANCE					
Beginning of Period	2,589,800	1,818,000	1,818,000	1,790,100	1,991,000
Increase (Decrease) in Fund Balance	(771,800)	(537,400)	(27,900)	200,900	223,600
End of Period Fund Balance	\$ 1,818,000	1,280,600	1,790,100	1,991,000	2,214,600
STAFFING	13.74	13.74	13.74	19.20	19.20

05 CBJAC 20.160 Parking lot fees.

- (1) From May 1 through September 30 each year, the fee to park in designated pay spaces at the parking lots for the Douglas Boat Harbor, Harris Boat Harbor, and Aurora Boat Basin is \$1.00 per hour or portion thereof, \$5.00 per 24 hours or portion thereof, or \$75.00 per calendar month or portion thereof. The applicable fee must be paid in advance.
- (2) From May 1 through September 30 each year, the fee to park in designated pay spaces at Don D. Statter Harbor Facilities shall be \$1.00 per hour or portion thereof, \$5.00 per 24 hours or portions thereof, or \$100.00 per calendar month or portion thereof. The number of monthly parking permits shall be managed and issued by the Port Director or representative. From October 1 through April 30, the off-season monthly fee shall be \$50.00 per calendar month or portion thereof. The applicable fee must be paid in advance.
- (3) From May 1 through September 30 each year, the fee to park in designated pay spaces in the Taku Lot (adjacent to the Intermediate Vessel Float) shall be \$2.00 per hour or portion thereof and limited to three hours per calendar day.
- (4) Auke Bay Loading Facility parking privileges shall be assessed at \$100.00 per calendar month as set forth in 05 CBJAC 45.050.

(Amended 4-11-2005, eff. 4-19-2005; Amended 5-18-2009, eff. 5-27-2009; Amended 8-10-2015, eff. 8-18-2015 ; Amended 4-11-2016, eff. 4-26-2016)