

MEMORANDUM

CITY/BOROUGH OF JUNEAU

City & Borough Manager's Office
155 S. Seward St., Juneau, Alaska 99801

Rod_Swope@ci.juneau.ak.us



Voice (907) 586-5240

Fax (907) 586-5385

DATE: January 14, 2009

TO: Assembly Finance Committee

FROM: Rod Swope
City & Borough Manager

SUBJECT: FY10 Passenger Fee Proceeds Preliminary Recommendations

Based on our latest projections, the amount of revenue available in FY10 is anticipated to be \$4,500,000.

Based on the requests received to date, I am preliminarily recommending that the proceeds be divided between operations and capital projects as follows:

OPERATIONS

General Support

Project Description

On May 10, 2000 the Assembly Finance Committee approved a formula that reflects cruise ship passenger impacts on general government services and is used to determine an amount of marine passenger fee (MPF) proceeds to be used in support of general government operations. Further, in 2003, a full cost analysis, audited by the North West CruiseShip Association, was done to determine whether this formula provided a fair and accurate assessment of costs. **\$1,500,000**

CCFR Air Medevac Support

Project Description

This funding is an offset for unrecoverable costs incurred by the fire department for the air medevac program in response to medical events involving cruise ship passengers or crew. In 2008, 50% of air medevacs were in response to situations involving cruise ship passengers or crew. On average, we only recover 36% of our costs from patient billings. **\$27,000**

Non-Profit Air Medevac Support

Project Description

Airlift Northwest, a non-profit ambulance transport service, was founded in 1983 to provide air ambulance service to Southeast Alaska. During the cruise ship season, 35% of the air medevac flights from Juneau are to transport cruise ship passengers for medical services unavailable at Bartlett Regional Hospital. The amount of unrecoverable costs related to transport of cruise ship passengers or crew from Juneau this past year was \$55,365. **\$50,000**

Bartlett Regional Hospital Support

Project Description

For the past three fiscal years, cruise ship passengers have accounted for 4.5% of Bartlett's patients (inpatients and outpatients). The hospital bad debt incurred from cruise ship passengers and crew for this past year was \$23,000. **\$23,000**

Tourism Best Management Practices Support

Project Description

This provides funding for printing, public notices, advertisements, and a contractual amount for Juneau Convention and Visitor Bureau (JCVB) staff to provide support to the Tourism Best Management Practices (TBMP) effort. TBMP is a voluntary industry-managed program designed to provide service to vessel passengers and address impacts, including safety issues, of tourism on local residents. The JCVB administers the program with funding provided by marine passenger fee proceeds. **\$12,000**

Crossing Guards

Project Description

This funds part-time seasonal crossing guards during the summer visitor season. The purpose of these positions is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and control the crossing locations where summer pedestrians can cross the streets. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by the Juneau Convention and Visitors Bureau. **\$119,000**

Downtown Foot/Bike Patrol

Project Description

This provides additional foot and bike patrol presence by Juneau Police Department (JPD) officers in the downtown area during the summer. Their presence is important to ensure the safety of visitors, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors. These officers are regular police officers that volunteer for this duty during their off-duty hours. In addition, we have also started a program to use retired police officers as seasonal employees to patrol the downtown area during the summer. **\$67,000**

Downtown Restroom Maintenance

Project Description

This provides the contractual services (labor and materials) required to maintain the public restrooms in City Hall and the public restrooms at Steamship Plaza seven days a week, six times per day, for five months during the summer. **\$65,000**

Downtown Cleaning

As a result of heavy summer use by visitors, the downtown sidewalks require extra cleaning, litter and garbage removal to keep them clean and safe. This funding provides funds for two temporary summer employees to operate and maintain the sidewalk sweepers and to empty downtown garbage containers. **\$82,300**

Transit Public Bus Service

Project Description

Our local bus service is heavily used by visitors during the summer, thus making it necessary to increase bus service in order to accommodate locals in addition to summer visitors. The bus system provides a safe, efficient, and cost effective way for visitors to visit the glacier and view other areas of Juneau. The additional revenue from summer visitors does help offset the cost of providing additional summer bus service to serve visitors. However, our transit system is heavily subsidized and the additional costs are not offset by the revenue received. This summer we also plan to increase bus service available in the mornings and evenings. **\$260,000**

Juneau Convention and Visitors Bureau (JCVB)

Project Description

The JCVB provides summer visitors with information, directions, and assistance. They also provide volunteers that staff the information kiosks and provide any information and assistance that visitors may require. **\$105,000**

Seasonal EMS Transport Program

Project Description

CBJ provides ambulance transport service for cruise ship patients that need to be transported from cruise ships and/or Bartlett Hospital to the airport for medevac to Anchorage or Seattle. The demand for patient transport service increases considerably during the summer due to cruise ship patients and does create situations, on a regular basis, in which we do not have available staff to provide transport service when requested. Two years ago, the cruise ship industry reported delays of 15 minutes to an hour and a half being encountered approximately 33% of the time during the summer. This situation causes delays for the medevac flight crews, resulting in costs and complications with regard to personnel, aircraft, weather, scheduling, etc. This program was implemented last summer and proved to be very effective in resolving this problem. This funding pays four temporary seasonal EMT's to work twelve-hour shifts during the summer (May through September) to cover transports and other EMS calls as needed. **\$110,000**

Downtown Ambassador Program

Project Description

Funding for this program will support two uniformed security officers that patrol the downtown area on foot from May through September. These security officers will assist visitors with information, directions, and generally patrol the downtown area for loitering, panhandling, public intoxication, and other public nuisances potentially impacting summer visitors and local residents. With regard to public safety issues and infractions of the law, the security officers will refer these issues to JPD to handle. This program will be provided through a private contract administered by the Downtown Business Association. **\$53,400**

Docks and Harbors General Operations

Project Description

The Docks and Harbors Board has requested general operations funding to offset the costs and impacts of providing area wide services and support to cruise ship passengers. The Board reviewed its budget and apportioned expenses associated with those services. The Board estimates that approximately 9% of the annual docks budget, estimated to be \$1,711,677 in FY10, is attributed to providing area wide service to cruise ship passengers. In addition, the Board is also requesting \$180,450 to support area wide improvements to harbor facilities used by cruise ship passengers in lieu of dock fee increases or taking the revenue from the dock fund. **\$335,500**

Airport General Operations

Project Description

Last year the Finance Committee approved the use of a portion of passenger fee proceeds for general airport operations. The current request conforms to the same formula that was used last year. **\$271,000**

CAPITAL PROJECTS

Shoreside Power Project

Project Description

Princess Cruises entered into an agreement with AEL&P that allows Princess Cruises to purchase hydroelectric power at the South Franklin Dock. Princess Cruises paid for the installation of an AEL&P substation, a distribution line to the dock, and alterations to their vessels. This funding goes into a COPA fund, which reduces the surcharge to utility customers in Juneau for the use of AEL&P's standby diesel generators. **\$300,000**

Cruise Ship Dock Maintenance and Improvements

Project Description

Funding for this program will help finance cruise ship dock maintenance and improvements in downtown Juneau. Juneau's port infrastructure is currently inadequate to service the number and types of cruise ships making calls and is in need of structural improvements and repairs. This funding will supplement the existing port maintenance fund. **\$929,800**

Columbia Lot Covered Staging Area

Project Description

Funding for this project would be used to construct a covered staging area on the sidewalk south of the Tram at the Columbia Parking lot. The covered staging area would provide shelter for motor coach passengers to utilize while waiting for tours and transport. **\$100,000**

City Museum Improvements

Project Description

This project would expand the temporary drop-off zone to be able to accommodate a full size bus and create a safer and more attractive approach to the museum for visitors. Specific improvements would include: demolition of the existing concrete stairs and a portion of the front retaining wall to open up the approach; the temporary pullout will be lengthened to accept a full sized bus; the concrete sidewalk will be widened and some utilities relocated; a new rock retaining wall will be added; better exterior lighting will be installed; and new sitting benches will be installed. **\$90,000**

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