



DOCKS & HARBORS BOARD DOCKS FEE REVIEW COMMITTEE MEETING

Thursday, March 24th, 2016
City Hall Conference Room 224

Following the Finance Committee meeting at 5:00 PM

- I. Call to Order** (City Hall Room 224- immediately following Finance meeting)
- II. Roll Call** (Tom Donek, Weston Eiler, David Summers, Tom Zaruba, and John Bush)
- III. Approval of Agenda**
- IV. Approval of February 18th, 2016 Docks Fee Review Committee Minutes**
- V. Public Participation on Non-Agenda Items** (not to exceed five minutes per person, or twenty minutes total time)
- VI. Unfinished Business**

1. Cruise Ship Fees

- Dockage Charges (05 CBJAC 15.030)
 - 3/2010; 1/2007; 12/2004
 - \$1.50 per foot for vessels less than 65 feet in length overall;
 - \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
 - \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.

Committee Questions

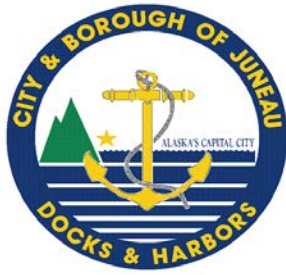
Public Discussion

Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

VII. New Business

1. Port Dues (85.02.105)
 - 3/2005
 - Every vessel carrying passengers for compensation and utilizing the port facilities, and not otherwise exempted, shall be assessed and pay port dues for each port visit. The port dues shall be in addition to other port facility fees and charges.
 - [Base rate per registered net ton] X [Registered net tonnage]
= Port dues per vessel per use of port facilities



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Following the Finance Committee meeting at 5:00 PM

Committee Questions

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Committee Discussion/Action

MOTION: TO BE DEVELOPED AT THE MEETING

VIII. Future Business

1. Port Maintenance Fee (05 CBJAC 15.040)
2. Marine Passenger Fee (05 CBJAC 15.100(a))
3. Port Development (05 CBJAC 15.100(b))

IX. Next Docks Fee Review Meeting- Thursday, April 21st, 2016 following Finance

X. Adjournment

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- I. Call To Order – John Bush called the meeting to order at 7:03 p.m. in the Assembly Chambers.
- II. Roll Call – The following members were present: Tom Donek, Weston Eiler, Tom Zaruba via phone, and John Bush.

Absent: David Summers

Also present were the following: Carl Uchtyl – Port Director, and Dave Borg – Harbormaster.

- III. Approval of Agenda –

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

Motion passed with no objection

- IV. Approval of January 21st, 2016 Docks Fee Review Committee Minutes.

MOTION By MR. DONEK: TO APPROVE THE JANUARY 21ST, 2016 DOCKS FEE REVIEW COMMITTEE MINUTES AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

- V. Public Participation on Non-Agenda Items – None

- VI. Unfinished Business

- 1. Loading Zone Permit Proposed Changes under 05 CBJAC 15.080

Committee Questions

Mr. Zaruba said two meetings ago they had passed changes for the loading zone permits. He did not attend the last meeting, but was surprised to see this back on the agenda.

Mr. Donek said the proposal to do away with the \$300 company fee and just do the \$11.50 seat fee was rejected at the Board Meeting and referred back to the Docks Fee Review Committee for further work.

Mr. Zaruba asked what was the objection?

Mr. Donek said the amount was impacting the larger companies to a large extent, and there was public input against it.

Mr. Zaruba said there were two issues with the existing program. There wasn't equity amongst the carriers, and we were losing \$25,000 a year. There has got

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to be some way to come up with a reasonable number that is fair to all the carriers. Perhaps we need to look at reducing the \$106,000 cost of operation. We could ask for RFPs from security companies in the private sector to police these areas so we don't have to do it. We might be able to knock \$50,000-\$60,000 off the expenses.

Mr. Eiler requested a briefing on the topic.

Mr. Zaruba said currently each operator pays \$300 a year for the right to use the parking zones, and then there are two different rates: \$15 per seat for use of the Auke Bay facility and \$7 per seat for the Downtown loading zones. With the revenues generated by that program and staff expenses of \$106,000 we are losing \$25,000 a year. We need to do something to make it fair to all. Peterson's idea was to eliminate the \$300, take the number of seats they've got, and divide that by the cost of operations. That came out to \$11.50 per seat. The little guys benefit and the larger operators pay more.

Mr. Donek said one reason the revenues don't meet the costs is that fees have not been updated since 2004, so we now see a CPI inflation of 128%. Docks & Harbors employees received cost of living increases and that sort of thing, but the fees were not raised. Also, the \$300 fee is an application fee. There are parallels in town, with police department fees for instance. The logic behind the company fee is that it takes the same amount of staff time to process applications regardless of how big the company is. As far as the concern about equity, scale does make a difference.

Mr. Zaruba said he understands there is economy in scale and that is to the benefit of the big operator. Holland America hauls hundreds of thousands of passengers a year so even if their cost increased by \$15,000, their cost per passenger is still peanuts. To the little guy, a \$25 per passenger cost could be a big deal. There should be fairness for all as well as cost effectiveness for the City. He suggested putting out an RFP to see how much the private sector would charge for policing. If the numbers make sense we could reduce the cost for everybody.

Mr. Uchytel said we would have to fight the MEBA Union on that. They would say we are taking jobs away by outsourcing it.

Mr. Zaruba asked what jobs would we be taking away?

Mr. Uchytel said staff was asked what it costs to operate a parking lot, and they came up with the salary and benefits for one full time harbor officer and one full time harbor tech, and the cost of printing decals. There are heavy ship days when we'll have two or three harbor officers directing traffic and moving coaches around. Other times they're doing security, fence guard, trash cleanup, etc. It's not easy to say we don't need one harbor officer and one harbor tech.

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Mr. Zaruba said the cost could be reduced by outsourcing and harbor staff would be freed up to do other things.

Mr. Bush said it's good to look at different possibilities, but he doesn't know if we want to change the whole structure at this point.

Mr. Donek suggested applying the CPI to the current rates. If we increase the company fee to \$400 and increase the seat fee (Downtown) from \$7 to \$9, the revenue would be approximately \$93,000 which would cover the cost for Downtown. He also suggested not implementing this until the 2017 season.

Mr. Zaruba said he is concerned about the little guys. They are our residents. The big guys can take care of themselves and they're getting a good deal. He suggested working on it every meeting until it gets worked out, and said he would do a cost benefit analysis for Mr. Donek's plan before the next meeting. He asked what Mr. Donek suggested for the \$15 per seat at Auke Bay?

Mr. Donek said he did not address that because it is a separate issue. To cover our costs at Auke Bay we'd have to raise the seat fee to almost \$24.

Mr. Zaruba suggested melding them together.

Mr. Donek said that would be lumping apples and oranges together since they are two different places.

Mr. Zaruba said they are both parking for our facilities.

Mr. Uchytel said the money we collect at Statter goes into the Harbors Enterprise and the Downtown loading zone fees go into the Docks Enterprise.

Mr. Zaruba asked if the Harbor Fee Review Committee should decide the Statter Harbor rates?

Mr. Bush suggested both Fee Review Committees work on it at the same time.

Mr. Uchytel recommended to leave Statter Harbor alone until Phase III is built and then adjust the fees based on the new facilities.

Public Discussion

Dennis Harris of 12th Street Taxi and Tours - Juneau, AK

Mr. Harris said what Mr. Zaruba proposed was very equitable. At the Operations meeting which he was unable to attend, there was nobody there from small companies, it was all the big guys. That may be why it got shot down. He is very upset about that. The small guys are getting screwed. If the company fee is raised to \$400 and the seat fee is raised to \$9 he would have a 31.25% increase. It's too late in the season to do it this year. Holland America and Alaska Coach Tours wouldn't get anything close to a 31% increase. He

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cannot believe that when he submits an application for five vehicles with 44 seats it takes as much processing time in the office as an application for 44 vehicles with 5,000 seats. He finds it really upsetting. He would also like the Board to think about having a one stop permit application process and location with the Airport and the Police Department so he only has to fill out one set of paperwork. As a member of the Airport Board he suspects we could get the Airport to change their timing to be congruent with Docks & Harbors and the Police Department. It would simplify things for everyone that has to put up with this paperwork every year. The thing that irritates him the most is that his cost per seat is going to be a lot higher than the big bus companies' cost per seat. They're getting a real break. He does a higher quality tour for less money than they do but he ends up paying a lot more for his permits per seat than they do. Mr. Harris said he has always been under the impression that taxi cabs could drive into the docks when they get a call and pick people up. It seems from the discussion at the Ops Committee meeting they thought that taxi cabs were paying permit fees to go to Statter Harbor. No one has ever asked him for a permit fee or a decal. He doesn't sit out there because it's not productive, he's just responding to calls. If cab companies have to start paying to pick up people at Statter then there won't be any cabs going there because nobody in town is going to pay that much per seat.

Mr. Uchytel said for the record there is no taxi fee to use Statter Harbor.

Bill Hagevig, Division Manager for Holland America/Princess- Juneau, AK

Mr. Hagevig said he wants to clarify the whole idea that they are getting some sort of great deal out of all this. The usable space on the City docks that we have access to, for just the big buses, is only about 34-35 spaces for all three docks combined. They permit their entire fleet of 71-73 busses as a matter of convenience. There's no way they would ever be able to put every one of those vehicles on those docks. They pay the extra money for the convenience of using one bus instead of three buses by having it pick up at different docks. To say that they can just simply absorb \$15,000 compared to the \$24,000 or \$26,000 tax that they are currently paying is quite a jump that they have to explain to their corporation. Mr. Hagevig said he does live here and was raised here, just because his company is from someplace else doesn't mean he is too. If the Board wants to get rid of the \$300 fee, if they're trying to apply that to the seat rate, then get rid of it. The \$300 fee was always basically a fee to do business just like the CPV fee for the Police Department. Mr. Harris and Mr. Hagevig pay the same endorsement fees to the City. Where they pay different is the size of their operations, and they currently do that now. When looking at this in terms of a plan, whether it be for 2017 or whenever, he asked that the Board keep in mind that they would like to still be able to permit their entire fleet. They don't want to have people waiting around for buses that can't go into the docks because they don't have a permit. Doing what they do now reduces congestion and results in much smoother operations on the City docks. If they are looking at a \$15,000 increase, their company is simply going to tell him that they can't permit their entire fleet. We're not going to see that on our bottom line, it's just going to make it a lot more difficult to operate.

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Committee Discussion/Action

Mr. Bush said if the CPI had been applied since 2004, large and small companies would have been absorbing and dealing with the increases annually. We are remiss at this point because we haven't done that for 12 years, but that is why we've got to try to cover this gap.

Mr. Zaruba suggested, since nothing will be done until 2017, to have staff track the actual time spent dealing with the loading zones this season.

Mr. Uchytel said it is not impossible, but it will be difficult for staff to track their time since they have a variety of tasks and are never doing just one thing.

Mr. Zaruba said every day at the end of their shift they can have a sheet to fill out saying how many hours they spent doing what. If we know how many man-hours we actually spend doing this, we can justify the fees.

Mr. Bush suggested taking a two week time frame in the middle of the season, have staff write down what they did and where they went so we can interpolate and come closer than a guestimate.

Mr. Borg asked if the Committee wants the time broken down into which operators they have the most contact with? The taxis are the ones they have the most problems with for enforcement issues.

Mr. Zaruba said look at just the zones. How many man-hours is spent policing these zones?

Mr. Donek said we should give some thought to the two new cruise ship docks being constructed. The dynamics could change a little.

Mr. Eiler said now is a good time to consider what season we want to make these decisions in so companies have enough time to make business decisions. He also thinks it would be interesting to investigate with staff whether other jurisdictions tie their fees to the CPI, or how their fees are structured. If we are going to make changes, we could at least know where we fit amongst others.

MOTION By MR. ZARUBA : TO HAVE THIS AGENDA ITEM COMPLETED BY 1 OCTOBER, 2016 AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

Mr. Harris noted that it is difficult to attend meetings during the summer.

Mr. Bush said the process will not be behind closed doors.

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Mr. Uchytel said just to be clear, you're asking us to provide some data points as far as staff's involvement in policing the loading zones?

Mr. Bush directed staff to collect data for a week or two after the season ramps up, towards the end of May or first part of June.

Mr. Zaruba suggested keeping track of staff time during the beginning, middle, and end of the season.

Mr. Bush said staff has the direction to get some data and we will work with it.

VII. New Business

1. Cruise Ship Fees- Dockage Charges (05 CBJAC 15.030)

- 3/2010; 1/2007; 12/2004
- \$1.50 per foot for vessels less than 65 feet in length overall;
- \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
- \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.

Committee Questions

Mr. Zaruba asked whether there was a request to change the current fees?

Mr. Bush said we are here for analysis. He asked when was the last time they were changed?

Mr. Uchytel said 2005.

Mr. Zaruba asked what the dates mean under the CBJAC reference?

Mr. Uchytel said those were the dates the regulation was modified, they are not necessarily fee changes.

Mr. Bush asked if we could apply the CPI to this and move it on?

Mr. Uchytel said Mr. Summers (Board Member) has been talking about wanting to enter into contractual agreements with cruise lines. That could impact our fees. We also have the new docks going in now. We don't have to make changes, we are just committed to looking at all the fees.

Mr. Zaruba asked whether we could put this off until the next session when Mr. Summers gets back? In the meantime if he has something, he could work it up so we have something to look at for the next session.

Mr. Bush tabled the item until the next meeting, pending a presentation by Mr. Summers.

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Public Discussion - None

Committee Discussion/Action – None

VIII. Future Business

1. Port Dues (85.02.105)

- 3/2005
- Every vessel carrying passengers for compensation and utilizing the port facilities, and not otherwise exempted, shall be assessed and pay port dues for each port visit. The port dues shall be in addition to other port facility fees and charges.
- [Base rate per registered net ton] X [Registered net tonnage]
= Port dues per vessel per use of port facilities

Committee Questions

Mr. Zaruba asked if Port Dues go along with what we just discussed?

Mr. Uchytel said we've never collected Port Dues so he asked CBJ Law what Port Dues are. We think that Port Dues are for a handful of cruise ships that don't pay the Port Development Fee because of their size. It's something that we've never applied in the past, but we need to look at it in the future because it's an Ordinance. There are some other details we can bring to the next Docks Fee Review Committee Meeting.

Mr. Zaruba asked, if this is just a handful of boats, would it bring anything to our bottom line administering something like this? Would we run the risk of running off some of these little vessels that otherwise come to town and spend money?

Mr. Uchytel said we wouldn't do it this year and it wouldn't be very much.

Mr. Eiler asked if these were the small lines like Lindblad, Boat Company, Uncruise or the mom and pop companies, or both?

Mr. Uchytel said this covers ships under 200 tons with accommodations for at least 13 passengers. He will do a matrix showing who pays what.

Mr. Zaruba said he thinks this is aimed at Class T and Class K boats. Most of these smaller cruise lines are 100 tons or less but they carry 200 people.

Mr. Bush suggested saving the future business for the next meeting.

Mr. Donek said he liked the idea of a matrix of who's paying what.

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Mr. Uchytel said two or three years ago the Assembly made changes to the Port Development fees and which vessels are applicable. We think this is something that was done in 2005 and forgotten about.

Mr. Bush said it may be just to catch those that don't pay the Port Development Fee. We could also tie it to the moorage for those boats.

Public Discussion- None

Committee/Discussion/Action

No Action at this time – The Port Dues will be discussed under New Business at the next Docks Fee Review Meeting.

IX. Next Docks Fee Review Meeting: Thursday, March 24th, 2016 following Finance.

VIII. Adjournment - The Meeting adjourned at 8:03 p.m.

05 CBJAC 15.030 - Dockage charges.

- (a) Definition. The charge assessed to vessels for berthing at the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float.
- (b) Basis for computing charges. Dockage charges are assessed upon length-over-all (LOA) of the vessel. Length-over-all is defined as the linear distance, in feet, from the forward most part at the stem to the aftermost part of the stern of the vessel, measured parallel to the base line of the vessel.

Length-over-all of the vessel, as published in "Lloyd's Register of Shipping" will be used and, when not published, the Port reserves the right to measure the vessel or obtain the length-over-all from the vessel's register.

- (c) Dockage period; how calculated. The period of time which dockage will be assessed shall commence when the vessel is made fast to an allocated berth or moored, or comes within a slip and shall continue until such vessel casts off and has vacated the position allocated. All time is counted and no deductions shall be allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.
- (d) Charges when a vessel shifts to different berth. When a vessel is shifted directly from one position to another berth or slip, the total time at such berths or slips will be considered together when computing the dockage or charge.
- (e) From May 1 to September 30, dockage for all vessels, except those vessels paying dockage fees set out in 05 CBJAC 50.030(f) and (h), will be assessed for each 24-hour period or portion thereof as follows:
 - (1) \$1.50 per foot for vessels less than 65 feet in length overall;
 - (2) \$2.50 per foot for vessels with a length overall from 65 feet up to 200 feet; and
 - (3) \$3.00 per foot for vessels greater than or equal to 200 feet in length overall.
- (f) From May 1 to September 30, fishing vessels will be assessed dockage at \$0.75 per foot of length overall for each 24-hour period or portion thereof, except there will be no charge to vessels staging to offload at Taku Fisheries, provided the duration of staging is less than four hours.
- (g) From October 1 to April 30, dockage will be assessed as set out in 05 CBJAC 20.030 and 05 CBJAC 20.040.
- (h) From May 1 to September 30, vessels loading passengers as part of a for-hire tour or experience with a duration less than 24 hours shall comply with the requirements set out in 05 CBJAC 20.080(c) and shall pay passenger-for-hire fees as set out in 05 CBJAC 20.080(d).
- (i) Dockage specials. The Docks and Harbors Board may after public hearing establish special and promotional rates of a temporary nature in order to encourage use of facilities, to respond to unusual economic circumstances, or to promote revenue development.

(Eff. 5-1-2005; Amended 12-11-2006, eff. 5-1-2007; Amended 5-18-2009, eff. 5-27-2009; Amended 3-15-2010, eff. 3-22-2010)

85.02.105 - Port dues.

- (a) Every vessel carrying passengers for compensation and utilizing the port facilities, and not otherwise exempted by subsection (d) of this section, shall be assessed and pay port dues for each port visit. The port dues shall be in addition to other port facility fees and charges, provided, however, that port dues paid to the CBJ Docks and Harbors Department may be taken as a credit against port dues owed under this chapter. Port dues shall be calculated on the basis of registered net tonnage of the vessel as follows:

$$[\text{Base rate per registered net ton}] \times [\text{Registered net tonnage}]$$

= Port dues per vessel per use of port facilities

- (b) Rate schedule. The base rate per registered net ton shall be established by the city manager by regulation pursuant to CBJ 01.60 utilizing the services of an independent appraiser. The rate shall be the market rate for facilities with like amenities and services. The manager shall determine the market rate every five years, or from time to time as he or she shall determine. The market rate shall then be adjusted annually by the manager based on the Anchorage Cost of Living Index.
- (c) Port dues collected pursuant to this chapter shall be deposited in the port development fund.
- (d) Exemptions. The port dues shall not apply to:
- (1) vessels having accommodations for 12 or fewer passengers;
 - (2) vessels traveling only between the City and Borough and points within 100 miles of the City and Borough port facilities; and
 - (3) noncommercial vessels, or vessels owned and operated by the state, the United States government, or a foreign government.
- (e) Administration and disposition of port dues. The proceeds of the port dues shall be placed in the port development fund. The port development fund shall be used for projects that benefit the cruise industry as outlined in the long-range waterfront development plan as it may be amended from time to time.

(Serial No. 2005-02, § 2, 3-14-2005)

05 CBJAC 15.040 - Port maintenance fee.

- (a) Definition. The charged assessed for use of the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float to provide for maintenance, replacement, and improvement of these facilities.
- (b) Applicability and basis for computing charges. Port maintenance fees shall be assessed to any vessel over 100 gross tons, carrying passengers-for-hire that makes voyages lasting more than 24 hours of which any part is on the high seas when such vessels tie to, or lighter to, the Steamship Wharf, the Cruise Ship Terminal, the Intermediate Vessel Float, and the Marine Park Lightering Float. Gross tonnage means the gross tonnage measurement of the vessel as set out in 46 U.S.C. Chapter 143 or Chapter 145. The Port reserves the right to obtain the gross tonnage from the vessel's register. Except for lightering operations less than three hours in duration, the port maintenance fee shall be assessed based on the net registered tonnage of the vessel. For lightering operations less than three hours in duration, the port maintenance fee shall be assessed based on one-half of the net registered tonnage of the vessel. If the vessel subsequently moves from anchor to alongside a public dock, the port maintenance fee shall be assessed based on the net registered tonnage of the vessel.
- (c) Port maintenance fee period; how calculated. The period of time which the port maintenance fee will be assessed shall commence when the vessel is made fast to an allocated berth or moored, comes within a slip, or begins lightering operations and shall continue until such vessel casts off and has vacated the position allocated, or terminates lightering operations. All time is counted and no deductions are allowed because of weather or other conditions, except when the Port Director provides for such allowance for good cause shown.
- (d) Charges when a vessel shifts to different berth. When a vessel is shifted directly from one position to another berth or slip, or shifts lightering operations, the total time at such berths or slips, or lightering operation shall be combined when computing the port maintenance fee.
- (e) Port maintenance fees assessment:

Time Period	Charge
Each 24 hour period or portion thereof	\$0.055 for each net registered ton of vessel displacement

(Eff. 5-1-2005; Amended 3-5-2007, eff. 3-13-2007)

05 CBJAC 15.100 - Other CBJ fees billed by docks and harbors department.

- (a) **Marine passenger fee.** The CBJ Docks and Harbors Department assesses a marine passenger fee in accordance with CBJ Ordinance 69.20. The marine passenger fee is currently \$5.00 per arriving passenger. The fee is assessed to certain passenger vessels entering into any port within the City and Borough of Juneau. Fee proceeds are deposited into the general fund of the CBJ.
- (b) **Port development fee.**
 - (1) Imposition. Beginning on the effective date of Resolution Serial No. 2552, every vessel carrying passengers for compensation on port calls in the City and Borough and not otherwise exempted by subsection (A) of this section, shall pay in addition to any other fee or charge, a Port Development Fee of \$3.00 per arriving passenger per day for all vessels, except for the following:
 - (A) Exemptions. The Port Development Fee shall not apply to:
 - (i) vessels under 200 tons;
 - (ii) noncommercial vessels or vessels owned and operated by the state, the United States government, or a foreign government; and
 - (iii) vessels operated by federally recognized Indian tribes.

(Eff. 5-1-2005; Amended 5-13-2013, eff. 5-23-2013)