

CBJ DOCKS & HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, May 31, 2007

I. Call to Order.

Chair Mr. Simpson called the Regular Board Meeting to order at 7:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Etheridge, Mr. Fisk, Ms. Jebe, Mr. Knapp, Mr. Kueffner, Mr. Preston, Mr. White, Mr. Williams, and Mr. Simpson.

The following members were absent: There were none.

Also present were the following: Mr. Stone -- Port Director, Mr. Mc Call – Harbormaster, and Mr. Dybdahl – CBJ Assembly Liaison.

III. Approval of Agenda.

Mr. Stone requested to add an additional Item for Action that would be #7. Request to the CBJ Assembly for University and CBJ Land Transfer.

He also asked to add an additional Item that would be #XIV. Executive Session to discuss the Loader Incident and Financial Issues.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

1. Howard Lockwood – #28 Thunderbird Terrace, Juneau, Alaska 99801 – 209-4250
Manager, Juneau Port Development, LLC.

Mr. Lockwood handed out a letter to the Harbor Board Members updating them on the status of his Tideland Lease for the Little Rock Dump.

He thanked Mr. Stone for his patience and understanding and help through this final lease process. He also thanked the Board Members for their favorable support to help this project succeed.

He added that the final lease paperwork is ready for signature by all parties.

Discussion followed with Mr. Simpson, Mr. Lockwood, and Mr. Knapp.

V. Approval of Previous Meeting Minutes.

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V. Approval of Previous Meeting Minutes (cont'd).

Mr. Fisk requested to add the following statement to the minutes. Under Items for Action number 3. Downtown Marine Support Facility Site Selection, under his short presentation he wanted added that at the public meeting held the night before, that in his opinion, the public was overwhelming against the Norway Point Site Selection.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON APRIL 26, 2007 AMENDED.

The motion passed without objection.

VI. Consent Agenda.

1. Term Contract Award for Civil Engineering Services.
2. Term Contract Award for Electrical Engineering Services.
3. Term Contract Award for General Electrical Services.
4. Term Contract Award for Mechanical and Plumbing Services.
5. Term Contract Award for Security Services.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Mr. Kueffner abstained from voting on Item #5, Term Contract Award for Security Services due to a conflict of interest.

Mr. Simpson abstained from voting on Item #3, Term Contract Award for General Electrical Services due to a conflict of interest.

Mr. White abstained from voting on Item #5, Term Contract Award for Security Services due to a conflict of interest.

The Consent Agenda motion passed without objection.

VII. Items for Action.

1. Taku River Reds Commercial Use Permit.

Chair Simpson said that the Board Member Mr. Etheridge had requested at the last Board Meeting to reconsider this item tonight since the motion failed at the last Board meeting.

Mr. Stone gave a short updated report on this item.

Discussion followed with Mr. Etheridge, Mr. Preston, Mr. Fisk, Mr. Stone, Mr. Kueffner, Mr. Williams, and Ms. Jebe.

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VI. Items for Action (cont'd).

PUBLIC COMMENT:

1. Len Peterson – 3152 Pioneer Avenue, Juneau, AK 99801
Secretary/Treasurer - Taku Renewable Resources, Inc.

Mr. Peterson spoke about the insurance problem as well as to the exact location where the ice machine would be placed on the Dock.

Further discussion followed with Mr. Knapp, Mr. Stone, Mr. Fisk, Mr. Peterson, and Mr. Preston.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO ALLOW THE PORT DIRECTOR TO ISSUE A COMMERCIAL USE PERMIT TO TAKU RIVER REDS FOR INSTALLING AND OPERATING AN ICE PLANT AT THE DOWNTOWN FISHERIES TERMINAL, TO REMOVE ITEM # 2B IF NECESSARY WHEN THE INSURANCE PROBLEM IS WORKED OUT THE CBJ RISK MANAGEMENT AND THE INSURANCE COMPANY, AND TO CHANGE THE DATE LISTED FROM MAY 1ST TO JUNE 1ST. The motion passed without objection.

2. Sunset Clipper Tidelands Lease Approval.

Mr. Stone gave a short presentation on this topic.

Discussion followed with Mr. Fisk, Mr. Kueffner, Mr. White, Mr. McCall, and Mr. Knapp.

PUBLIC COMMENT:

1. Mitch Falk – 9589 Whitewater Court, Juneau, AK 99801
Sunset Clipper Lessee

Mr. Falk answered questions from Board Members regarding this topic.

Further discussion followed with Mr. Fisk, Mr. Stone, Mr. White, Mr. Preston, and Ms. Jebe.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO AUTHORIZE THE PORT DIRECTOR TO EXECUTE THE LEASE FOR A PRIVATE DOCK NEXT TO STATTER HARBOR TO SUNSET CLIPPER IN ACCORDANCE WITH THE DRAFT LEASE PRESENTED TO THE BOARD WITH THE FOLLOWING TWO AMENDMENTS:

- 1. THE CONSTRUCTION PLAN MUST BE APPROVED BY THE DOCKS AND HARBORS BOARD.**

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VI. Items for Action (cont'd).

2. THE DOCKS AND HARBORS BOARD MUST APPROVE CONTROLS TO MAINTAIN ADEQUATE ACCESS BETWEEN THE STATTER HARBOR FLOAT AND THE NEW DOCK.

The motion passed without objection.

3. Bernstein Tideland Lease Rent Adjustment.

Mr. Preston gave a short presentation on this topic.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO ACCEPT THE FINANCE COMMITTEE'S RECOMMENDATION TO KEEP THE ANNUAL LEASE RENT THE SAME FOR THE BERNSTEIN LEASE DURING THE NEXT FIVE YEARS AS RECOMMENDED BY THE CBJ ASSESSOR.

The motion passed without objection.

4. Summer Moorage Promotion.

Mr. Stone gave a short presentation on this topic.

Discussion followed with Mr. Knapp and Mr. Stone.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO ACCEPT THE FINANCE COMMITTEE'S RECOMMENDATION THAT THE BOARD AUTHORIZE THE PORT DIRECTOR TO WAIVE THE DAILY LAUNCH RAMP FEES FOR VESSELS BUYING AT LEAST THREE MONTHS OF MOORAGE THIS SUMMER AT EITHER THE DOWNTOWN OR AUKE BAY LOCATIONS, AND PATRONS WHO HAVE PAID THEIR ANNUAL LAUNCH RAMP PERMIT RECEIVE A CREDIT FOR MONIES ALREADY PAID UPON SURRENDER OF THE ANNUAL PERMIT.

The motion passed without objection.

5. CBJ Special Sales Tax Prioritization and Request to the CBJ Assembly.

Mr. Fisk gave a short presentation on this topic.

He said that the CIP/Planning Committee was requesting the CBJ Assembly for sales tax assistance for the Statter Harbor Project.

Mr. Stone added additional information.

Discussion followed with Mr. Fisk, Mr. Simpson, and Mr. Stone.

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VI. Items for Action (cont'd).

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO MOVE FORWARD WITH THE STATTER HARBOR PROJECT REQUEST FOR CBJ SALES TAX FUNDS. The motion passed without objection.

Chair Simpson requested the Port Director to follow-up with a letter to the CBJ Assembly regarding this topic.

6. Downtown Dock Replacement Financing Plan.

Mr. Preston gave a short presentation on this topic and Mr. Stone added additional information.

Discussion followed with Mr. Knapp, Mr. Preston, Mr. Stone, and Mr. Fisk.

PUBLIC COMMENT:

1. Chip Toma – P.O. Box 21884, Juneau, AK 99802

Mr. Toma handed out some paperwork to the Board Members to show the language of Ballot Measure #2 – Cruise Ship Taxation, Regulations and Disclosure.

He said that he thinks that there should not be any special consideration between private and city docks in applying the fees as every passenger uses city facilities when in the area.

Discussion followed with Mr. Knapp, Mr. Fisk, and Mr. Simpson.

2. Kirby Day – 1302 Tern Court, Juneau, AK 99801
Manager Princess Tours

Mr. Day said he would like for the Port Development Fee to sunset next year as scheduled and not be renewed. He does not want the fees used for the competitors dock – he is just asking for fairness to the private companies who will not be using the City Docks.

Discussion followed with Mr. Preston, Mr. Knapp, and Mr. Fisk.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO ACCEPT THE FINANCE COMMITTEE'S RECOMMENDATION TO ALLOW THE PORT DEVELOPMENT FEE TO SUNSET, AND IN ITEM #5, TO REPLACE THE EXISTING NET TONNAGE FEE OF \$.055 WITH AN \$0.087 PER NET TON AMOUNT USING THIS SURPLUS TO PAY DOWN THE DEBT AND TO CONTINUE TO INVESTIGATE THE POSSIBILITY OF PROCURING ADDITIONAL MONEY FROM THE LEGISLATURE OUT OF THE \$50.00 STATE HEAD TAX FEE.

Further discussion followed with Mr. Dybdahl, Mr. Simpson, and Mr. Knapp.

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VI. Items for Action (cont'd).

Mr. Preston withdrew the \$0.087 figure from the motion for further discussion.

After further Board Member discussion, it was suggested to remove the Port Development Fee and to recommend changing the current maintenance tonnage fee of \$0.055 to a net tonnage fee of \$0.25 as a new regulation. This new fee would combine the debt service and port maintenance revenue requirements into a single fee.

The corrected motion on the table is as follows: **ASK UNANIMOUS CONSENT TO ACCEPT THE FINANCE COMMITTEE'S RECOMMENDATION TO ALLOW THE PORT DEVELOPMENT FEE TO SUNSET, AND TO REPLACE THE EXISTING NET TONNAGE FEE OF \$0.055 WITH A NEW NET TONNAGE FEE OF \$0.25 AS A NEW REGULATION, AND TO CONTINUE TO INVESTIGATE THE POSSIBILITY OF PROCURING ADDITIONAL FUNDS FROM THE LEGISLATURE OUT OF THE \$50.00 STATE HEAD TAX FEE.**
The motion passed without objection.

7. Request for University Land Transfer.

Mr. Fisk gave a short presentation on this topic.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO SEND THE LETTER DRAFTED TO MAYOR BOTELHO TO INIATE THE LAND TRANSFER BETWEEN CBJ AND UAS FOR THE TRACT BETWEEN HARRIS HARBOR AND AURORA HARBOR AND ADDITIONAL CBJ PROPERTY PROXIMATE TO THE USA CAMPUS.

Mr. Kueffner suggested a slight grammatical correction to the draft letter.

The motion passed without objection.

VIII. Items for Information/Discussion.

There were no items.

IX. Committee and Board Member Reports.

1. Operations Committee Meeting – May 15, 2007

Mr. Etheridge gave a short report on his last meeting. He said that they had a discussion with the owners of the Shoe Fly Store about the busses in the loading zone across from their store. Also, they discussed the possibility of opening more public parking in the City Parking Garage.

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IX. Committee and Board Member Reports (cont'd).

He added that they discussed the ruling on advertising on vehicles in the Port loading zones and this is not allowed in the regulations.

Mr. Etheridge said that they got a request from a patron who wanted to self-insure his vessel and was requesting a wavier from the current insurance fee. The Committee rejected the wavier request.

2. Finance Committee Meeting – May 24, 2007

Mr. Preston gave a short report on his last meeting. He said most of the action items have already been taken care of tonight. He did mention that new commercial fees are going into effect, which is per passenger-for-hire fees.

3. CIP/Planning Committee Meeting – May 29, 2007

Mr. Fisk gave a short report on his last meeting. He said all the items that they discussed have already been discussed tonight.

He added that there has been a new “wrinkle” with the State DOT on the permitting requirements for the entrance to the Auke Bay Commercial Loading Facility. This problem will have to be taken care of to continue this permitting process.

X. Port Engineer.

There was no report since we no longer have a Port Engineer at this time.

XI. Harbormaster.

Mr. McCall said that the Harbor staff has been very busy with collecting the Annual Stall fee payments.

He drew the Board Members attention to the copy of the thank-you memo in the packet that he wrote to the staff and Mr. Tajon, Supervisor at the Dock. He praised the staff for their extraordinary performance during the 2007 Port Facility Inspection for this year. There were no “issues noted” for the first time ever since the Security Program began in July 2004.

Mr. McCall and the Harbor Board thanked Mr. Tajon, Port Operations Supervisor for his good work at the Dock.

XII. Port Director's Report.

Mr. Stone said that he had received only one complaint on the power washing of the floats in all the Harbors. The patron was upset that his boat got dirty from the spray.

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XII. Port Director's Report (cont'd).

He also mentioned that he has noticed that there are some new vendors selling tours on private property and on City right-of-way property. This is in direct competition with our vendors on the Docks. He said that he is going to suggest that the City look into this new situation.

He added that there are 173 Maintenance items that the staff is currently working on.

Discussion followed with Mr. Kueffner, Mr. Preston, Mr. Knapp, and Mr. Williams.

XIII. Committee Administrative Matters.

1. Meeting Calendar for June 2007.

Chair Simpson called the Board Members attention to the scheduled Committee and Regular Board meetings for the month of June 2007.

Mr. Preston thanked Mr. Day for all his hard work on the Tourism Best Management Practices program. He said that he appreciated the Report copy attached to tonight's packet.

XIV. Executive Session.

1. Loader Incident and Financial Issues.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO GO INTO EXECUTIVE SESSION TO DISCUSS THE LOADER INCIDENT AND FINANCIAL ISSUES.
The motion passed without objection.

The Board went into Executive Session at 9:04 p.m.

MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO RETURN TO THE REGULAR BOARD MEETING FROM EXECUTIVE SESSION.
The motion passed without objection.

The Regular Board Meeting reconvened at 9:31 p.m.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO AUTHORIZE A SETTLEMENT WITH TRUCANO CONSTRUCTION FOR THE LOSS OF THE CAT 936 LOADER IN THE AMOUNTS PRESENTED BY THE PORT DIRECTOR AND TO AUTHORIZE THE ESTABLISHMENT OF A SUBCOMMITTEE OF THE BOARD TO TALK WITH THE CITY MANAGER AND THE CITY RISK MANAGER ABOUT FINANCIAL HELP WITH THE SETTLEMENT COSTS.
The motion passed without objection.

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XV. Adjournment.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING.

The motion passed without objection.

The Regular Board Meeting was adjourned at 9:33 p.m.