

CBJ DOCKS & HARBORS BOARD
FINANCE COMMITTEE MEETING MINUTES

For Thursday, May 24, 2007

I. Call to Order.

Mr. Preston called the meeting to order at 5:00 p.m.

II. Roll.

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

Also in attendance were: Mr. Stone, Port Director, and Mr. McCall, Harbormaster.

III. Approval of Agenda.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS PRESENTED. The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

Mr. John George, Juneau Steamboat Company, said he uses the Marine Park tendering float. Last year he paid just over \$400, but he estimated that this year it would be \$2,900 with the \$1.10 per passenger fee. This is on top of moorage and launch permit fees. He tries to do high volume on a very low priced tour. The flat fee for passengers is substantial for him. He figured he would have about 2,500 passengers.

The Committee members discussed the issue and Mr. Preston put it on the agenda for the next meeting.

V. Approval of Previous Meeting Minutes.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE APRIL 19, 2007 FINANCE COMMITTEE MEETING MINUTES. The motion passed without objection.

VI. Items for Action.

1. Bernstein Tidelands Lease Rent Adjustment.

Mr. Stone said the City Assessor recommended no adjustment to the annual rent based on the current valuation of property in that area.

Ms. Jebe said she wanted to see the packet with the Assessor's information.

VI. Items for Action (continued).

MOTION by Mr. Fisk: TO RECOMMEND THAT THE BOARD KEEP THE ANNUAL LEASE RENT THE SAME AS RECOMMENDED BY THE CBJ ASSESSOR. Mr. Knapp seconded the motion.

The motion passed 6 to 1 with Ms. Jebe voting against the motion.

2. Downtown Cruise Ship Dock Financing Plan.

Mr. Stone went through the draft of the proposed financing plan for the downtown dock reconstruction. After the cruise ships leave for the season, a geotechnical investigation and site surveys will be done. From these, we can develop a good cost estimate to bring back to the Board and Assembly. Then we do bid documents and ask the Assembly to appropriate marine passenger fees and/or port development fees to complete the financing. The estimated cost of construction is \$36.2 million, which will be financed with the sale of revenue bonds with a 25-year term. He recommended a tonnage fee of \$0.235 per ton to make the annual debt service payment and reducing the current maintenance tonnage fee from \$0.055 to \$0.015. The new fee of \$0.25 would need to be established by the Board. This fee will combine the debt service and port maintenance revenue requirements into a single fee. He recommended the estimated \$1,000,000 for construction administration costs come from marine passenger and port development fees. The port development fee is scheduled to sunset after this season, but he recommended continuing it for the surplus revenue requirement.

Mr. Stone said he received a letter from Reed Stoops. He had a major concern with a proposed port dues charge on private docks to provide the surplus revenue requirement for financing the new docks. The private docks would be subsidizing the construction of the public docks. He also had a concern with shifting \$3.5 million of the project costs to general marine passenger fees. Consideration should be given to using a share of the remaining passenger fees for seawalks, rest rooms, or other facilities, which are more proximate to the private docks.

Mr. Kirby Day, Princess Tours, said the port development fee was to reconstruct Marine Park. It sunsets March 2008. You are asking a private dock owner to pay on something they will not use. It is not right and fair to have to pay for something you are not using.

Mr. Chip Thoma said there are bills in the Legislature that encourage cities to collect the \$5.00 fee. Juneau could get full funding for the new dock if they opt out of this and into the new State fund. Juneau would have to come in as an equal partner. Right now Juneau is the only city with a plan. The first five ports of call would get the \$5.00 each. There would be an appropriation process for the capital fund.

VI. Items for Action (continued).

The Committee members discussed the financing. It was suggested to also go on a parallel track. We should do a contingency plan that takes into consideration the State plan as a possible source of funds

MOTION by Mr. Knapp: ASK UNANIMOUS CONSENT TO RECOMMEND STAFF BRING THIS BEFORE THE BOARD FOR CONSIDERATION WITH SOME ANALYSIS OF AN ADJUSTMENT TO THE NET TONNAGE DUES TO OFFSET THE \$1.00 PER HEAD PORT DEVELOPMENT FEE. The motion passed without objection.

3. Summer Moorage Promotion.

Mr. Stone said we have a lot of small boat stalls vacant. With the new rates going into effect, it makes it the least expensive it has ever been to keep a boat in these stalls in many years. He recommends waiving the in and out launch ramp daily fee if a patron buys 3 months of moorage this summer. Mr. Simpson said we should advertise that you could get a stall for 3 months and promote the cost.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE BOARD AUTHORIZE THE PORT DIRECTOR TO WAVE THE DAILY LAUNCH RAMP FEES FOR VESSELS BUYING SUMMER MOORAGE UNDER THE NEW SUMMER MOORAGE PROMOTION PROGRAM. The motion passed without objection.

VII. Items for Information/Discussion.

1. Cruise Ship Distribution in Downtown Juneau.

Mr. Stone provided an analysis of this year's schedule at all docks. He will add last year's information for comparison when he brings it before the Board.

VIII. Staff & Member Reports.

Mr. Stone said there is a "Tell it to the Docks & Harbor Board" regarding the boat launch fee increase in the packet. There is also a letter regarding paid parking at Statter Harbor.

Mr. Simpson said there is a notification of an impending sale of a boathouse. Mr. Preston said a letter will be sent thanking him for notifying us and we anticipate hearing from him when he has a bonafide offer.

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IX. Committee Administrative Matters.

Mr. Preston said the next Finance Meeting would be Thursday, June 21st.

X. Adjournment.

**MOTION by Mr. White: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING.
The motion passed without objection.**

The meeting was adjourned at 6:19 p.m.