

CBJ DOCKS & HARBORS BOARD
FINANCE COMMITTEE MEETING MINUTES

For Thursday, November 15, 2007

I. Call to Order.

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

II. Roll.

The following members were present: Ms. Jebe, Mr. Kueffner, Mr. Mehrkens, and Mr. Preston.

The following members were absent: Mr. Etheridge, and Mr. Fisk.

Also in attendance were: Mr. McCall, Harbormaster, and Ms. Johansen, Administrative Officer.

III. Approval of Agenda.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA. The motion passed without objection.

Mr. Preston welcomed Ms. Johansen as our new Administrative Officer.

IV. Public Participation on Non-Agenda Items.

There was no public participation.

V. Approval of Previous Meeting Minutes.

MOTION by Mr. Mehrkens: ASK UNANIMOUS CONSENT TO APPROVE THE OCTOBER 11, 2007 FINANCE COMMITTEE MEETING MINUTES. The motion passed without objection.

VI. Items for Action.

1. Port Improvement Fee – Proposed Regulations.

Mr. McCall said this is the second of three public hearings. The Board will take action at its December 6th meeting. The proposal is to change the current fee of 5.5¢ per net ton to 10¢ in 2008, 20¢ in 2009, and 30¢ in 2010. There is a letter in the packet from Mr. Kirby Day asking to table the fee increase for 2008 and to extend the lightering exemption from three hours to four hours. There is also a letter from North West Cruiseship Association asking to not change the current fee structure until there is a clear plan of action for dock development in Juneau.

Public Hearing.

VI. Items for Action (continued).

Mr. Drew Green said the memos from Mr. Day and NWCSA speak for themselves. Industry has asked the City to look at other options besides the proposed downtown Cruiseship dock renovations. Other options have not been adequately considered. Industry is asking that before you embark on new funding mechanisms and new expenses that we explore the options more thoroughly and have a plan before new fees are created. Have a fee that addresses a specific plan. Industry is not opposed to addressing maintenance issues and the 5.5¢ will address those concerns – though it may not be enough. There are some things that have to be done in the near future, but not the immediate future. He agrees with the extension of the 4-hour lightering fee exemption. He is concerned that the port maintenance fee has turned into something more than maintenance and is dock development.

Mr. Preston noted that the name has been changed to Port Improvement Fee. Last year, this Committee and the Board reduced fees for harbor patrons. The same thing can happen here if we do not need to do the three-year increase.

Mr. Aaron Brake said he had concerns with the downtown dock proposal and some process concerns. He read from a letter from AEL&P regarding the inclusion of an energy section in the Comprehensive Plan regarding hydropower to the cruiseship berths. He had concerns with how the Board operated regarding the new cruiseship project. He said you need some kind of money buffer if something should happen, such as piling being taken out. He understands Industry's concerns, but you need money for the planning process. He said a section in the Waterfront Plan says if there is a new dock proposal, the community needs to go through a process similar to the one that it went through to develop the long-term Waterfront Plan.

Mrs. Sharon Andrew felt the Committee was acting wisely in proposing a graduated increase.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO AMEND THE PROPOSAL FROM 3 TO 4 HOURS. CHANGE 05 CBJAC 15.040 B TO READ: EXCEPT FOR LIGHTERING OPERATIONS LESS THAN FOUR HOURS IN DURATION, THE PORT IMPROVEMENT FEE IS ASSESSED ON THE NET TONNAGE OF THE VESSEL. FOR LIGHTERING OPERATIONS LESS THAN FOUR HOURS IN DURATION, THE PORT IMPROVEMENT FEE IS ASSESSED ON ONE-HALF THE NET TONNAGE OF THE VESSEL. The motion passed without objection.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO RECOMMEND THE BOARD APPROVE THE PORT IMPROVEMENT FEE PROPOSED REGULATIONS AS AMENDED. The motion passed without objection.

VI. Items for Action (continued).

2. Fisherman's Bend Tideland Lease Renewal and Rent Adjustment.

Mr. Preston said the Committee just received the appraisal. We are waiting to hear back from the Assessor's Office. We can discuss it tonight and put in on the agenda for our next meeting.

Mr. McCall said this is an income assessment done by Mr. Wold of Alaska Appraisal Associates, Inc. The current rent is \$13,600 and the assessed value indicates an annual rent of \$62,291.

Mrs. Sharon Andrew said they were provided with an income appraisal analysis. The property is limited by the lease to being used as a marina only. Based on this they recommend that we not develop any further. This does not address the two parcels of tidelands that adjoin the uplands. She went through some sections of the report with the Committee members. She said Mr. Wold indicated he would answer any questions from the Board.

Mr. Mehrkens suggested passing on to Mr. Wold to do a comparable to other marinas on the west coast.

Mr. Preston said the Committee would wait for the CBJ Assessor to give us an analysis.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO TABLE THE FISHERMAN'S BEND TIDELAND LEASE RENEWAL AND RENT ADJUSTMENT UNTIL THE NEXT FINANCE MEETING ON 12/20/07. The motion passed without objection.

3. FEDP Grant Award for Downtown Fisheries Terminal.

Mr. McCall said we have been awarded a grant of \$48,750. He requests the Board request the Assembly to appropriate the local match of \$16,250 from retained earnings.

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE BOARD APPROVE THE \$48,750 FEDP GRANT AWARD FOR THE DOWNTOWN FISHERIES TERMINAL AND REQUEST THE ASSEMBLY APPROPRIATE THE GRANT INTO A CIP ALONG WITH THE LOCAL MATCH OF \$16,250 OF HARBOR RETAINED EARNINGS. The motion passed without objection.

4. Douglas Harbor FAA Juneau Airport Wind Sensor Lease Renewal.

Mr. McCall said the FAA wind weather station on the old Cold Storage Dock provides information to incoming flights. FAA has requested a 10-year renewal of the space. They will maintain access and the structure.

VI. Items for Action (continued).

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE BOARD RENEW THE LEASE WITH THE FAA FOR THE JUNEAU AREA WIND SENSOR SITE UNTIL APRIL 30, 2017. The motion passed without objection.

VII. Items for Information/Discussion.

There were none.

VIII. Staff & Member Reports.

Mr. McCall said he will be departing Juneau tomorrow morning, but will be in contact by cell phone and computer. Mr. Bob Clauder will be in charge. Mr. McCall said if you need management help, you could get a hold of him through his cell phone.

IX. Committee Administrative Matters.

Mr. Preston said the next Finance Meeting would be Thursday, December 20th at 5:00 p.m. He again welcomed Ms. Johansen on board.

X. Adjournment.

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

The meeting was adjourned at 6:09 p.m.