

CBJ DOCKS & HARBORS BOARD  
FINANCE COMMITTEE MEETING MINUTES

For Thursday, April 17, 2008

I. Call to Order.

Mr. Preston called the meeting to order at 5:01 p.m.

Ms. Moore introduced new employee Ms. Holmquist, Administration Assistant III, to the Committee

II. Roll.

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

Also in attendance were: Mr. Stone, Port Director, and Ms. Johansen, Administrative Officer.

III. Approval of Agenda.

Mr. Stone asked to add items # 3 Electricity Emergency and # 4 Boat Shelter Sales to Items for Action.

**MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE AMENDED AGENDA. The motion passed without objection.**

IV. Public Participation on Non-Agenda Items.

There was no public participation.

V. Approval of Previous Meeting Minutes.

**MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE MARCH 20, 2008 FINANCE COMMITTEE MEETING MINUTES. The motion passed without objection.**

VI. Items for Action.

1. Transfer Request – Serial T-875.

Mr. Stone said the Assembly would be discussing this item at their Monday night meeting. This will close out three projects and the funds will be transferred to three ongoing projects. We are asking to transfer \$15,606 from Norway Point Boat Moorage Float to Harbors Areawide Restrooms, \$3,018 from Subport Marina Design/Permit to Downtown Cruise Ship Berth Enhancements, and \$19,806 from Steamship Wharf/Cold Storage Dock Improvements to Intermediate Vessel Float Stabilization.

VI. Items for Action (continued).

**MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO RECOMMEND TO THE ASSEMBLY TO TRANSFER FUNDS AS PRESENTED IN T-875. The motion passed without objection.**

2. Gitkov Tidelands ATS #1170 Lease Rent Adjustment.

Ms. Johansen said this is a 25-year lease with a 10-year renewal period. The lease was reviewed by the Finance Committee and sent to the Board. The Board asked for additional information. We looked at comparable rents in the area and recommended a rate of \$0.15 per square foot. The lease expires in 2012 so we will look at the lease again in three years.

Mr. Gitkov said, unlike Glacier Seafoods, they rent. It was a big expense to put in the fill for parking. Having deep water is not good if you have to pay to fill it in. He pays property tax on the improvements. They conduct the same type of business that will be done at the new loading facility. He does not agree with the evaluation. His solution would be to hold off five years and not increase the rate. The City gets revenue from his operation. They paid \$30,000 for the lease.

Ms. Hawkins said that Glacier Seafoods and Allen Marine are exempt from property tax and have sales tax reductions.

Mr. Gitkov said they are affected by the westerly. They have to watch the boats or move them. They get 4 to 5 foot waves.

The Committee members discussed Mr. Gitkov's concerns regarding his lease and the competition from the new commercial loading facility.

**MOTION by Mr. Fisk: TO RECOMMEND TO THE FULL BOARD THAT THE LEASE RATE FOR THIS PARCEL FOR THE REMAINDER OF THE LEASE PERIOD (TO 2012) BE SET AT \$0.11 PER SQUARE FOOT. Mr. Etheridge seconded the motion.**

**The motion passed 5 to 1** with Mr. Kueffner voting against the motion.

3. Electricity Emergency.

Mr. Stone said the City Manager is declaring a local disaster emergency. Our power access charge was designed when it was \$0.09 per kilowatt. He recommended the Board meet within a week to address the electricity situation. An emergency regulation can be in effect for 120 days. We will need to send out a letter to the patrons.

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VI. Items for Action (continued).

Some suggestions for saving on electricity were: 1) Try to get people on AEL&P accounts. 2) Charge the daily rate only for electricity. 3) Add a surcharge to the electric. 4) Work with AEL&P regarding the new Douglas Harbor area. 5) Daily fee adjustment for transient boaters. The first step is conservation.

Mr. Etheridge asked Mr. Stone to draft a letter to send to the City Manager's office asking for emergency assistance.

Mr. Preston asked Mr. Stone to get a package together for the May 1<sup>st</sup> Harbor Board meeting.

4. Boat Shelter Sales.

Mr. Stone said Mr. Daugherty and Mr. Paulson provided letters regarding the sale of their boat shelters. He recommended sending them letters authorizing them to go ahead and sell them.

**MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO NOTIFY MR. PAULSON AND MR. DAUGHERTY THAT WE WILL NOT EXERCISE OUR RIGHT OF FIRST REFUSAL. The motion passed without objection.**

VII. Items for Information/Discussion.

There were none.

VIII. Staff & Member Reports.

Ms. Johansen provided up to date revenue and expense budget reports. She said we will present our budget on May 1<sup>st</sup> to the Assembly Finance Committee.

Mr. Etheridge said we received money from the State Capital Budget. We got \$2.5M for Douglas Harbor out of the Municipal Matching Grant and \$1.5M from the \$50.00 State Passenger Fee Tax. The Committee expressed their appreciation to Mr. Etheridge for getting the passenger fee tax money.

IX. Committee Administrative Matters.

The next Finance Meeting would be Thursday, May 15, 2008.

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X. Adjournment.

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

The meeting was adjourned at 6:15 p.m.