

CBJ DOCKS & HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, April 30, 2009

I. Call to Order.

Mr. Preston 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. Jardell, Ms. Jebe, Mr. Knapp, Mr. Kueffner, Mr. Mehrkens, Mr. Preston and Mr. Williams

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

Also present were the following: Mr. Stone – Port Director, Mr. Benner – Harbormaster, Mr. Gillette – Port Engineer and Mr. McLeod- Docks and Harbors Administrative Officer.

Ms. Hood – Parks and Recreation Advisory Committee Liaison was also present.

Mr. Dybdahl, Assembly Liaison was absent.

III. Approval of Agenda.

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

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON MARCH 26, 2009 AS PRESENTED.

The motion passed without objection.

V. Public Participation on Non-Agenda Items.

1. Chip Thoma, Box 21884, Juneau AK 99801

Mr. Thoma wanted to encourage the Harbor Board to stay active in coming up with projects for the marine passenger fees on both the local and state level. Every year there is 35 million available in marine passenger fees. Many of the projects approved this year were one time projects so there are opportunities for big projects to be funded on the State level. We were awarded \$2.5 million for the Juneau Docks this year.

2. Mike Peterson, 724 5th Street, Douglas AK 99824

Mr. Peterson said he would like to talk about the North Douglas boat launch ramp. He attended the C.I.P. Harbor Board meeting and received some fiscal information about funding from Mr. Stone. He also received a brief history about the north Douglas boat launch ramp from Mr. Williams.

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V. Public Participation on Non-Agenda Items (continued).

Mr. Peterson wanted to know what is planned in the future for the North Douglas launch ramp and if there were any concepts or plans for replacement. He would like the board to add the North Douglas launch ramp as a planning agenda item in the next six months. Even if it's a long rang plan, he would just like there to be a plan in place.

3. Phillip Grey, 4410 N. Douglas Hwy. Juneau AK 99801

Mr. Grey said he would like the Board to consider waiving the launch ramp fee for senior citizens. He has brought up this issue before and the Harbormaster seemed to think it was a good idea. Ninety dollars is a bit expensive when you are living on a limited budget. When he checked last, there were only about 30 seniors purchasing launch permits each year. In Kodiak they are only charging seniors half the regular price for a launch permit. The revenue loss to the Harbor Department would be roughly \$2,700 per year.

Mr. Kueffner asked where the estimated 30 seniors per year came from.

Mr. Grey said the Harbormaster had given him that figure several years ago.

VI. Items for Action.

1. Proposed Amendments to Fees and Charges Regulations listed in 05 CBJAC 15 and 20.

Mr. Stone said the Board is proposing to add a regulation that allows for promotional or special moorage rates at the IVF and small boat harbors. One promotion under consideration is a special summertime moorage rate to help fill a surplus of small stalls in the harbor system. The purpose of the amendment is to allow the establishment of special and promotional rates of a temporary nature in order to encourage use of the facilities. The Board is also proposing to add an hourly parking fee to the Statter Harbor Parking Lot fee regulation. The proposed fee is \$1 per hour. The proposal would also allow the Board to charge fees at other parking lots under it's control, although there is no current plan to charge a fee at other lots.

Mr. Kueffner asked if the least expensive parking fee was currently \$5 at Statter Harbor.

Mr. Stone said people currently pay \$5 for the day or any portion of the day.

There are two moorage promotions that he is proposing that would be separate from the regulatory change. The first is an IVF Recurring Summer User Special Moorage Rate of \$1.50 per foot per day for the 2009 Season only. This promotion is for the high-end charter vessels that are having a hard time booking charters this year.

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VI. Items for Action (cont'd).

These Vessels must carry passengers for hire on multi-day trips and carry no more than 24 persons on these trips. The vessels must have used the IVF for at least six days during the summer 2008 season for the purpose of dropping off and picking up passengers. Vessels must have reservations at the IVF for at least three visits and no less than six days during the 2009 season for the purpose of picking up and dropping off passengers and be current on all charges owed to Docks and Harbors. The current rate is \$2.50 per foot per month and he has proposed dropping the rate to \$1.50 per foot per month, but now feels more comfortable with Proposing \$2.00 per foot per month which is a 20% savings. Enclosed is a listing of vessels that would qualify for this special rate. Petersburg is eager to get some business from these charter vessels and the moorage there is less expensive.

The second item is the Trailerable Boat Seasonal Moorage Promotion. This proposal could capture moorage revenues from smaller boats (up to 24ft) that are normally kept on trailers. To qualify, boat owners must purchase a 2009 annual launch permit and purchase at least three months moorage at the downtown rate. The promotion would allow unlimited moorage in Douglas Harbor, Harris Harbor, Aurora Harbor and Statter Harbor from Friday, May 22, 2009 to September 7, 2009. This promotion could bring new boats in the harbor that may possibly stay longer than the three months. This item does not have to be acted on tonight.

Mr. Kueffner asked if the IVF float was adequate for the kinds of boats that we are trying to attract.

Mr. Stone said there are times in July when the IVF is completely full. The IFV could be expanded upon to attract the luxury vessels which there is currently no adequate moorage for in Southeast Alaska.

Mr. Jardell asked if the decrease in daily moorage was directly associated with boats in the 24ft and smaller range?

Mr. Stone said the decrease in daily moorage was for various reasons. Many vessel owners pay a less expensive monthly rate and there are possibly fewer boats using the facilities.

Mr. Knapp said he was in favor of adding the \$1 parking rate at Statter Harbor. He asked if a person taking advantage of the trailerable boat promotion could be assured that there will be space available at Statter Harbor.

Mr. Stone said there would be no guarantee of available moorage at Statter Harbor since it is a transient facility and availability is based on first come first serve.

Mr. Jardell asked what would happen if 100 boats took advantage of this promotion at Statter Harbor.

Mr. Stone said 100 boats in this size range equal 2,000 feet and there is a total of 5,000 feet available at Statter Harbor.

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VI. Items for Action (cont'd).

Mr. Stone also suggested the Board could limit the number of boats that could take advantage of this promotion and that he was not worried about over crowding at Statter Harbor.

We offered a moorage promotion last year where boat owners could buy at least 3 months moorage and get a free launch in and out of the water. This promotion did not generate much interest at all so we are hoping by throwing Statter Harbor in the mix it will generate some interest.

Mr. Williams said he liked the change to the Statter Harbor Parking addition of \$1 per hour. He thought the Trailerable Boat Promotion was worth a try. He did not feel this promotion would generate much revenue, but he liked the idea of offering promotional rates as an effort to increase facility usage and increase revenues.

PUBLIC HEARING:

1. **Drew Maples** - Statter Harbor Resident.

Mr. Maples liked the idea of the Harbor offering promotional rates. He has lived in Statter Harbor for several years and feels it is very crowded in the summertime and this promotion would only add to the overcrowding. He also thought the promotion was a bit unfair for a boat owner who is paying year round moorage rates at Statter Harbor to allow the small boat owners to pay the downtown rate for moorage at Statter Harbor. He also mentioned he was disappointed in the communication from the Harbor Department. He was not aware of the proposal until he read it in the Juneau Empire.

2. **Dixie Hood** - 9350 View Drive, Juneau AK 99801.

Mrs. Hood said she was in favor of the new parking fee of \$1 per hour. She also thought the Trailerable Boat Promotion was a good idea to at least try for a year.

MOTION by Mr. Knapp: ASK UNANIMOUS CONSENT TO APPROVE THE AMENDMENT TO FEES AND CHARGES REGULATIONS AS PROPOSED BY THE FINANCE COMMITTEE AS A REGULATORY CHANGE.

Ms. Jebe objected to the motion.

Ms. Jebe said last year the Board had offered a moorage promotion without the regulatory change and she felt they could do it again for the current year's promotions.

Mr. Stone said the previous year's promotion was done illegally and they did need to make a motion for the regulatory change in order to create and offer promotions.

There was further discussion between Board Members.

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VI. Items for Action (cont'd).

Roll Call

The motion passed with six in favor and one Board Members opposed.

There was further discussion of moorage promotions.

Mr. Kueffner said he didn't like the negative comments the small boat moorage proposal generated. He felt that Statter Harbor was such a valuable and busy facility it was not a good idea to discount moorage there.

Mr. Jardell agreed with Mr. Kueffner and felt the only thing we would learn from offering this promotion was that people want to use Statter Harbor for less money. He was also not in favor of the IVF moorage promotions because it applies to only a small portion of harbor patrons.

Mr. Mehrkens said the IVF users are paying the highest moorage rates in Juneau and there are other harbors willing to compete for these vessels moorage.

Mr. Stone said both promotions are running out of time to offer to patrons for the 2009 season.

MOTION by Mr. Knapp: ASK UNANIMOUS CONSENT TO TABLE BOTH MOORAGE PROMOTIONS AND SEND THEM BACK TO THE FINANCE COMMITTEE FOR FURTHER REVIEW.

Mr. Kueffner objected to the motion.

Ms. Jebe seconded the motion.

Roll Call

The motion failed with four in favor and three Board Members opposed.

Mr. Williams said the Harbor Department would get a lot of complaints if a promotion was offered to one specific group like the IVF users.

Mr. Mehrkens said the threat of moving to another Southeast community for charter business was a real threat. At least one of the charter businesses using the IVF float used to run out of Wrangel because of cost.

Mr. Knapp said the discount did not involve a lot of money overall and if we offered this discount, it would be only the beginning of more discounts to come.

There was further discussion between Board Members.

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VI. Items for action (cont'd).

MOTION by Mr. Kueffner: ASK UNANIMOUS CONSENT TO ADOPT THE PROPOSED IVF MOORAGE PROMOTION OF \$2 PER FOOT PER MONTH FOR THE 2009 SEASON.

Mr. Mehrkens seconded the motion.

Roll Call

The motion failed with two in favor and five Board Members opposed.

No action was taken on the Trailerable Boat Moorage Promotion.

2. Minor Changes to Docks and Harbors FY10 Amended Budget adding and funding the Equipment Replacement Reserve Schedule Account.

Mr. McLeod said he would like to establish an Equipment Replacement Reserve Schedule Account. The purpose of the account would be to establish a formalized method for replacing capital equipment used in daily operations of Docks and Harbors. The account would be established with funds from the Docks and Harbors Reserve Fund Balance starting in FY10.

The FY10 contribution would be \$69,625, funded from the fund balances in Docks (\$27,366.67) and Harbors (\$42,458.33). Because this fund draws interest on the balance from year to year, it will eventually become possible to stop our yearly contributions and allow the interest payments to fund future purchases.

Mr. Knapp asked Mr. McLeod how he arrived at the expected amount for the fund.

Mr. McLeod said he estimates what the piece of equipment will cost to replace in the future and divides that number by the years of expected life.

MOTION by Mrs. Jebe: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE BOARD ADOPT CHANGES TO THE FY10 AMENDED BUDGET FOR DOCKS AND HARBORS AS RECOMMENDED BY THE FINANCE COMMITTEE.

The motion passed without objection.

3. Continuing Inspection Services for Completion of the Auke Bay Loading Facility.

Mr. Williams said additional engineering services were needed for the completion of the Auke Bay Loading Facility.

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VI. Items for action (cont'd).

MOTION by Mr. Williams: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE HARBOR BOARD APPROVE A CONTRACT AMENDMENT FOR PND ENGINEERS, INC. IN THE AMOUNT OF \$49,740.00 TO COMPLETE INSPECTION SERVICES FOR THE AUKE BAY LOADING FACILITY CONSTRUCTION AS RECOMMENDED BY THE CIP/PLANNING COMMITTEE.

The motion passed without objection.

4. CATV Service to Fingers 1 & 2 and 1/3 of the Main Float at Harris Harbor.

Mr. Williams said we have a few residents of Harris Harbor who would really appreciate having access to local cable T.V. for the purpose of receiving Gavel-to-Gavel legislative coverage. Some of these patrons have been of great help to the Harbor Department.

Mr. Kueffner asked if any of the other harbors had this service.

Mr. Stone said Aurora Harbor had this service available and that Harris has receptacles that are already set up with an outlet for the connection.

Mr. Kueffner asked how many residents there were on these floats.

Mr. Stone said there were about half a dozen on each float.

Ms. Jebe asked if this service was available before Harris Harbor was updated.

Mr. Stone said this service was available before the Harbor was updated.

MOTION by Ms. Jebe: ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE HARBOR BOARD APPROVE A CONTRACT NOT TO EXCEED \$29,666.00 TO INSTALL CATV TO FINGERS 1 & 2 AND 1/3 OF THE MAIN FLOAT IN HARRIS HARBOR AS RECOMMENDED BY THE CIP/PLANNING COMMITTEE.

The motion passed without objection.

VII. Items for Information/Discussion.

There was none.

VIII. Committee and Board Member Reports.

A. Operations Committee Meeting – April 22, 2009 (This meeting was cancelled).

Ms. Jebe said the Harbormaster has included a list of projects they are currently working on.

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

B. Finance Committee Meeting – held on April 23, 2009.

Mr. Preston said all items from Finance were discussed at the meeting tonight.

C. CIP/Planning Committee Meeting – held on April 28, 2009

Mr. Williams said they discussed the Commercial Loading Fee and the CATV Service.

X. Administrative Officer's Report.

Mr. McLeod said that he has been working on leases and lease rate updates. He is also working on the budgeting process to make it a lot simpler, easier to understand and more efficient. He is also renewing the term contracts for FY10 and processing the standing purchase orders for FY10.

XI. Port Engineer' Report.

Mr. Gillette said that his Status Report on Projects including the Auke Bay Loading Facility is in the Packet. They have started doing the concrete work at the Auke Bay Facility.

Discussion followed with Mr. Preston, Mr. Williams and Mr. Mehrkens.

Mr. Jardell asked for an update of the North Douglas Boat Launch dock.

Mr. Gillette said they continue to repair the floats every year even though they are not in good shape. There is currently no plan for replacement of the facility. We hope to get the final float in place within the week.

Mr. Preston asked for an update about soil sampling in Douglas Harbor.

Mr. Gillette said DEC wants some clarification on the project. We had some concerns that the EPA would want more testing or information. We still do not have comments from the Army Corps of Engineers. We are basically just waiting for input from these agencies.

Mr. Knapp asked for an update on the Douglas Breakwater.

Mr. Stone said the bidding process is done and we are getting ready to award that contract.

XII. Harbormaster's Report.

Mr. Benner said he spoke with the Juneau Empire today about illegal dumping in Harbor dumpsters. We are monitoring dumpsters and giving tickets. The fine for dumping is \$60.

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XII. Harbormaster's Report (cont'd).

Mr. Benner said he has been approached by a number of non-profit organizations who are asking to use the Harbor dumpster to dispose of trash collected on beaches. He also mentioned the possibility of hiring a third party to do recycling.

XIII. Port Director's Report.

Mr. Stone said the Assembly had passed the Docks and Harbors budget for FY10 and will forward it to the full Assembly in June. We also received two and a half million dollars from the State for Docks in Juneau. We did not get the five million Grant for Statter Harbor this year. We may want to consider having a grand opening ceremony for the Auke Bay Loading Facility.

We have applied for two Grants under the Federal stimulus Act. One is for paving at the Auke Bay Loading Facility and the other for a 70-ton boat trailer.

XIV. Committee Administrative Matters.

1. Meeting Calendar for May 2009.

Mr. Preston told Board Members to note the schedule for meetings for May 2009.

Operations Committee Meeting -
5:00 p.m. to 7:00 p.m.

May 20, 2009
Aurora Harbor Office

Finance Committee Meeting -
5:00 p.m. to 7:00 p.m.

May 21, 2009
CBJ Assembly Chambers

CIP/Planning Committee Meeting
5:00 p.m. to 6:30 p.m.

May 26, 2009
CBJ Assembly Chambers

Regular Board Meeting
7:00 p.m. to 10:00 p.m.

May 30, 2009
CBJ Assembly Chambers

XV. Adjournment.

MOTION by Mr. Jardell: ASK UNANIMOUS CONSENT TO ADJOURN THE REGULAR BOARD MEETING.

The motion passed without objection.

The Regular Board Meeting was adjourned at 8:54 p.m.