

CBJ DOCKS & HARBORS  
**FINANCE COMMITTEE MEETING MINUTES**

For Thursday, October 15, 2009

I. Call to Order.

Committee member Jardell called the Finance Committee meeting to order at 5:00 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

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

Also in attendance were the following: Mr. Stone-Port Director and Mr. McLeod – Docks and Harbors Administrative Officer.

III. Approval of Agenda.

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

**The motion passed without objection.**

IV. Public Participation on Non-Agenda Items.

There was no public participation.

V. Approval of Previous Meeting Minutes

Ms. Jebe stated that there was a typo error on page two where the word was defiantly and should be definitely.

**MOTION by Mr. Etheridge: ASK UNANIMOUS CONSENT TO APPROVE THE September 17, 2009 FINANCE COMMITTEE MEETING MINUTES AS AMMENDED.**

**The motion passed without objection.**

VI. Items for Action.

1. Michael Mann Appeal.

Mr. Stone explained to the committee members the status of Mr. Mann's boat moorage account regarding an amount of fees that are past due. The committee members discussed the current policies for waving of daily fees and what the possible miss understanding of what had occurred on this account.

Further discussion among the committee members and Mr. Mann took place at this time.

**FINANCE COMMITTEE MEETING MINUTES**

October 15, 2009

Page 2

The committee discussed some solutions to the problem of accounts getting in the rears and some way to resolve Mr. Mann's issues.

**MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT THAT THE COMMITTEE FORWARD THIS TO THE FULL BOARD FOR THE CONSIDERATION OF MR. MANN'S PAST DUE DAILY AMOUNT TO BE REVERSED BACK TO THE MONTHLY FOR AUGUST AND SEPTEMBER 2008. The motion passed with a 4 to 2 vote.**

2. Discussion of Horan Appraisal at Auke Bay Commercial Loading Facility.

Mr. Stone stated to the committee that this is a continuation of the item that has been discussed at several meetings as a trade for an easement from Alaska Glacier Seafoods to fill against their retaining wall we would enter into a lease and grant them a lease rental credit. This process has been cleared with the Law Department. The Law Department will draw up the lease after we finalize the lease rental credit portion, which needs to be done by this committee.

Mr. Stone stated that the appraisal from Horan which had been determined to be a lease credit of 36 years based on what he felt the cost savings to CBJ was for not having to build the retaining wall. Mr. Stone went on to explain this topic to the committee at this time. He stated that the second option would be to do an appraised value of the land that has been created and if we went with that then the lease credit would be 14 years. Mr. Stone spoke with Mr. Erickson and he is willing to meet the Board half way if that is something we are willing to do. This would be at 25 years.

Further discussion among the committee members and Mr. Stone took place at this time.

**MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO RECOMMEND THE COMMITTEE FORWARD THIS TO THE FULL BOARD ENTERING INTO A STANDARD 35 YEAR LEASE WITH THE CONDITIONS SET FORTH BY STAFF AND THAT THE INITIAL LEASE PAYMENT WOULD BE ZERO FOR THE FIRST 25 YEARS AND THEN THE FIRST RENT ADJUSTMENT WOULD BE AT THE YEAR 25 BASED ON APPRAISAL AT THAT TIME. The motion passed without objection.**

3. Discussion of Financing Options for North Douglas Boat Ramp.

Mr. Stone stated that at the last Board meeting they had approved the moving forward with a bid packet for procurement of the North Douglas boat ramp. He stated the main emphasis for this was to be able to check with Fish and Game to see if some sort of grant funding was available. He did check with them and they stated that the funds would be available probably after next fiscal year.

At this time discussion took place among Mr. Stone and the committee members.

**FINANCE COMMITTEE MEETING MINUTES**

October 15, 2009

Page 3

They discussed different funding sources. The three sources would be Fish and Game grant money, the use harbor reserves, and finally possible increase of the launch ramp fees.

More discussion took place regarding the funding sources.

**MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT THAT WE RECOMMEND TO THE FULL BOARD THAT WE NOT LOOK FOR GRANT MONEY OR RAISE THE RAMP FEES BUT TO USE THE HARBOR RESERVES FUNDS AND PUT THIS PROJECT OUT TO BID. The motion passed without objection.**

4. Auke Bay Commercial Loading Facility Fees and Charges.

Mr. McLeod reported to the committee members that they are proposing to create several fees at this facility for the purpose of being able to maintain the facility, while we figure out things such as what type of businesses will utilize it, how much use it will get, and what sort of items will be moved across the facility for freight purposes.

He stated that one thing that they will definitely be looking at is the fueling on the dock. He stated at our other facility we charge .05 cents per gallon and we want this to be equal. Freight charges right now are zero and he stated we would charge daily moorage for resale freight loading and off loading, with clarification to the committee that it is not the launch area, but the vehicle drive down float. The only exception would be vessels that have already paid moorage in any of the CBJ Harbor facilities and the use is less than 4 hours.

The freight staging fee suggested to the committee is \$25.00 per calendar day per 100 square feet.

Mr. McLeod stated that as of now this is a substantially large storage area, which they would like to eliminate the storage of items for long periods of time. What they would like to see is short term storage where they would bring out the items right before they are loading.

The committee discussed the issue of the 24 hours or the calendar day and the \$25.00 fee.

More discussion took place at this time.

**MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO RECOMMEND THE BOARD INTRODUCE AMENDMENTS TO THE SMALL BOAT HARBORS FEES AND CHARGES REGULATION ADDING A FIVE CENTS PER GALLON FEE FOR FUELING VESSELS AT AUKE BAY COMMERCIAL LOADING FACILITY, CHANGE THE FREIGHT STAGING FEE TO \$25.00 PER 24 HOUR PERIOD PER THE CURRENT SQUARE FEET, AND ALLOWING THE HARBORMASTER TO ISSUE PERMITS REGULATING THE USE OF THE AUKE BAY COMMERCIAL LOADING FACILITY FOR FREIGHT PURPOSES AND CHARGING DAILY MOORAGE FOR THOSE ACTIVITIES. The motion passed without objection.**

CBJ DOCKS & HARBORS BOARD  
**FINANCE COMMITTEE MEETING MINUTES**

October 15, 2009

Page 4

5. Cruiseship Dock Financing Plan.

Mr. Stone used a power point presentation and went over the plan that has been adopted by the Board at this point. He went over all the areas of the new construction of the facility with the power point presentation.

He explained the pile depth to the members and what the geotech data is.

Mr. Stone then went over the cost estimates for the construction of these two floating births and we have figured that each one would cost about 5 million dollars. After going over some of the other construction items he stated that the total cost for construction would be about 30 to 40 million dollars. Over time we will refine this amount.

Mr. Stone then went over the funding sources that the Board had requested and that was how we would finance the funding for the project.

Discussion among the committee members and Mr. Stone took place at this time regarding the funding for this project.

At this time Mr. Thoma spoke to the committee members regarding the funding sources and stated that this type of project is what the Legislature likes to see.

Further discussion took place at this time.

**MOTION by Mr. Fisk: ASK UNANIMOUS CONCENT THAT THE COMMITTEE ADOPT THE FINANCING PLAN PRESENTED BY MR. STONE WITH THE RECOMMENDATION THAT THE FINANCING PLAN ACCOMPANY THE CONCEPT 16B PROPOSAL AND FORWARD IT ON TO THE ASSEMBLY AT THE COW MEETING ON OCTOBER 26, 2009. The motion passed without objection.**

VII. Items for Information.

1. Docks and Harbors Revenue Report.

Mr. McLeod handed out an updated analysis of harbors revenues prepared October 14, 2009 (See attached packet) and at this time went over the sheets with the committee members. He stated that the period of time this is for is for July through September 2008 in comparison to July through September 2009.

At this time the committee members and Mr. McLeod had further discussion regarding revenues of different types.

CBJ DOCKS & HARBORS BOARD

**FINANCE COMMITTEE MEETING MINUTES**

October 15, 2009

Page 5

VIII. Staff & Member Reports.

There was none.

IX. Committee Administrative Matters.

The next Finance Committee Meeting will be held on Thursday, November 19, 2009.

X. Adjournment.

**MOTION: by Mr. Jardell: ASK UNANIMOUS CONSENT TO ADJOURN THE FINANCE COMMITTEE MEETING.**

**The motion passed with objection.**

The meeting was adjourned at 6:45 p.m.