

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

For Thursday, November 5, 2009

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 7:01 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Fisk, Mr. Kueffner, Mr. Mehrkens, Mr. Preston and Mr. Williams.

The following members were absent: Mr. Etheridge, Mr. Jardell and Ms. Jebe.

The following member attended via teleconference: Mr. Wostmann.

Also present were the following: Mr. Stone – Port Director, Mr. Gillette – Port Engineer, Mr. McLeod – Administrative Officer, Mr. Dybdahl – CBJ Assembly Liaison and Ms. Hood – Parks & Rec. Liaison.

III. Approval of Agenda.

Mr. Stone said the agenda has been amended to change the order of the appeals under Items for Action. Mr. Maroney's appeal will now be item #1 and Mr. Mann's appeal will be item #2. We have also added two new items that were discussed at the CIP meeting. Statter Harbor Launch Ramp Additional Funding will be item #5 and Statter Harbor Launch Ramp Additional Professional Service Fees will be item #6.

MOTION by Mr. Fisk: TO ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

MOTION by Mr. Kueffner: TO ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON SEPTEMBER 24, 2009 AS PRESENTED.

The motion passed without objection.

V. Public Participation on Non-Agenda Items.

Dixie Hood, 9350 View Drive, Juneau AK 99801 – Parks & Rec. Advisory Committee Liaison.

Ms. Hood had a question about a document from community development to the Planning Commission. The document stated that the Sea Walk was not included in the FY10 CIP because it was in previous years and should be included each year. Since the total project will be significant, it would be more practical to continue to allocate a portion of the funds over time rather than to seek a large sum in one to two years.

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

Mr. Fisk said the letter was referring to the City C.I.P and not the Docks and Harbors C.I.P. The phase of the project they are working on right now includes the portion of the Seawalk between the Minors Cove Building and the Taku Fisheries building. They are very close to going to bid for that portion and there is money already budgeted for that portion.

Mr. Fisk asked Mr. Dybdahl if he thought the Assembly needed Docks and Harbors to further communicate their support of the Sea Walk?

Mr. Dybdahl said the Assembly has adequately funded every stage of the Seawalk that has come up to the planning stage.

Mr. Kueffner said the document was just stating that a large amount of funds would not be appropriated all at once for this project and that it would be completed in phases.

Ms. Hood said the letter looked like a specific request from Community Development that the Seawalk be included in the FY2010 C.I.P. She wondered if the letter required a response.

Mr. Preston said Community Development would need to go to the Assembly with this request; it would not come from Docks and Harbors.

VI. Items for action.

1. Jason Maroney Appeal.

Mr. Stone said Mr. Maroney has fallen behind on his moorage account to the extent that the Harbormaster began impound procedures on his vessel approximately two months ago. He has received an impound letter and requested an administrative hearing. The city appointed Mr. Rorie Watt as the administrative hearing officer. At the same time, Mr. Maroney asked to come before the Harbor Board and make an appeal of the fees owed on the vessel. We have put the impoundment process on hold pending the outcome of this appeal. Mr. Maroney has provided the board with a letter dated October 28, 2009 explaining the circumstances which caused him to fall behind on his moorage to the point of impoundment. He has also outlined a proposal for repayment of harbor fees owed. Also included in the handout is a copy of Mr. Maroney's invoice summary and payment summary for his harbor account. You can see where over the past couple of years Mr. Maroney has paid a substantial amount of money to the Harbor Department in an effort to keep his moorage current. Unfortunately he still fell behind on his moorage and ended up with daily charges for some time to the extent that his harbor bill is currently about \$10,000.00. Harbor staff has reviewed the proposal and are in favor of giving him one last opportunity to bring his moorage current, get off daily charges and pay his past due amount over time.

Mr. Kueffner asked if the final outcome of an impoundment was a foreclosure sale.

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VI. Items for action (continued)

Mr. Stone said in the impound process the vessel ownership does transfer to the Harbor Department and the vessel is eventually sold. In this case, there is also a lien on the vessel and that further complicates the impound process.

Mr. Fisk asked if Mr. Maroney was back on monthly moorage and seeking help with the past due balance owing.

Mr. Stone said Mr. Maroney is currently on daily moorage.

Mr. Mehrkens asked if the impoundment process was applicable to any stall in the harbor even though the amount owed may only be a fraction of the value of the vessel.

Mr. Stone said any vessel in the harbor who's owner has an account that is sufficiently behind on moorage payments can be subject to the impound process.

Mr. Preston asked when payments are received if the money is generally applied to the oldest balance.

Mr. Benner said when we see a customer has fallen behind; we try and help the customer get off daily moorage and back on monthly by applying their payment first to the current month and then working with them to repay the past due.

Mr. Jason Maroney, 230 S. Franklin, apt # 712, Juneau AK 99801

Mr. Maroney said with the help from the board, he would like to rectify his moorage situation and save his vessel from impound.

Mr. Fisk asked if Mr. Maroney was able to get back on monthly moorage if he felt confident that he would be able to catch up the past due amount.

Mr. Maroney said he did feel that he would be able to stay current with his moorage. In previous years he was able to pay annual moorage and he was hopeful that he would be able to pay annually again.

Mr. Kueffner said in the letter from Mr. Maroney he stated that he would pay the rest of the moorage year which was estimated at about \$1,200.00. He asked what that figure represented.

Mr. Maroney said the figure was a rough estimate of the monthly moorage for the remaining eight months of the moorage year. He was hoping the board would be able to him get caught up on his moorage by offering some relief from the daily charges.

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VI. Items for action (continued)

Mr. Wostmann asked to recuse himself from this item because Mr. Maroney is a tenant of one of his properties.

Mr. Mehrkens said it seems as if we need to change our billing procedures. Once a vessel goes on daily charges, it gets out of hand in a short period of time. He asked if we monitor vessels that go on daily charges and notifying owners before their bill gets out of hand.

Mr. Stone said we do monitor who is on daily charges. If the vessel is not a transient, which would normally be on daily charges, we do try and contact stall holders and other monthly patrons when their vessel has been on daily charges for some time.

Mr. Mehrkens suggested the board review a list of patrons on daily moorage for more than two months and do some preemptive work to avoid the appeal process.

MOTION by Mr. Williams: TO ASK UNANIMOUS CONSENT TO ACCEPT THE MONITARY PORTION OF MR. MARONEY'S REPAYMENT PROPOSAL WITH THE REMAINDER OF THE MOORAGE YEAR MONTHLY PAYMENTS TO BE MADE NO LATER THAN THURSDAY, NOVEMBER 12TH 2009 AND THE PAST DUE AMOUNT TO BE INCLUDED IN A WRITTEN AGREEMENT AND PRESENTED TO THE FINANCE COMMITTEE FOR APPROVAL.

The motion passed without objection.

2. Michael Mann Appeal.

Mr. Stone said Mr. Mann knew there was a meeting, but he probably expected us to call him and remind him and we didn't do that so he isn't here. He was present at the two previous meetings so he does care about the appeal. Mr. Mann was under the impression he had a large credit due him several years ago, but the credit was much smaller than he expected. He had expected the credit to cover his monthly moorage for several months. He ended up on the daily rate and did not realize he was on daily for several months. He has asked the Finance Committee to credit his account back for September and October 2008 daily moorage in exchange for the monthly rate. The Committee has recommended that we go ahead and credit those two months of daily charges back.

Mr. Kueffner asked what the amount of the credit to Mr. Mann's account would be.

Mr. Stone said the credit to Mr. Mann would be a savings of approximately \$600.00.

MOTION by Mr. Kueffner: TO ASK UNANIMOUS CONSENT TO ACCEPT THE FINANCE COMMITTEE RECOMMENDATION AND CREDIT MR. MANN'S ACCOUNT FOR DAILY CHARGES FOR SEPTEMBER AND OCTOBER 2008 IN EXCHANGE FOR THE MONTHLY RATE.

The motion passed without objection.

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VI. Items for action (continued)

3. Alaska Glacier Seafoods Easement and Lease.

Mr. Stone said we need to get an easement from Alaska Glacier Seafoods because we placed fill against their retaining wall. We can buy the easement by having an appraisal done and negotiating a price with Alaska Glacier Seafoods. They have expressed a preference in lieu of a direct payment to them, they would like to lease a small amount of space immediately adjacent to their plant. The space is about 8,000 Square feet of the new Auke Bay Loading Facility uplands. The land is indicated in the packet provided. We asked our appraiser to look at the fair market value of the easement and then to determine what would be an appropriate lease rent credit if we were to lease the additional uplands for a lease rent credit instead of a direct payment. Mr. Horan did two appraisals for us using two different methodologies. One method was to appraise the easement and the uplands lease area and determine a lease rent value that would be equal to the cost of the easement. He determined that an initial lease of 36 years would equal the cost of the easement. The second method was to establish the value of the lease lands if we were to have done just a sloped embankment and not filled up to the retaining wall. Based on that lease rent credit, the easement would be equal to an initial lease of 14 years. In discussion with Mr. Erickson, owner of Alaska Glacier Seafoods, we have decided to split the difference. Essentially the lease terms would include a lease rent credit clause for a term of 25 years. In exchange for this credit, Mr. Erickson will give us a perpetual easement for the two feet we filled up to his retaining wall. I am recommending we use the method with the lease rent credit of 25 years with the conditions included in the memo provided October 16, 2009.

Mr. Fisk asked to recuse himself from this action item.

Public Participation

Mr. Paul Weltzin, 3869 Bayview Ave., Juneau AK 99801 - Auke Bay Loading Facility Patron.

Mr. Weltzin said there is significant traffic going in and out of Alaska Glacier Seafoods and it would be beneficial to keep the entrance separate from the Auke Bay Loading Facility entrance.

Mr. Kueffner said the fence and the physical access to Alaska Glacier Seafoods seems very important so we can separate what area belongs to them and what area belongs to the loading facility.

Mr. Williams stated that it appears that we did extra fill up to the Alaska Glacier Seafoods retaining wall just to give it back to them in the form of a lease rent credit.

Mr. Stone said you could look at it that way, but we are expanding are lease property because they will pay rent on the property after the initial 25 years. We are also helping Alaska Glacier Seafoods expand their business and increase fisheries tax which comes back to us.

There was further discussion between Harbor Board Members.

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VI. Items for action (continued)

MOTION by Mr. Kueffner: TO RECOMMEND THE ASSEMBLY ADOPT AN ORDINANCE AUTHORIZING THE PORT DIRECTOR TO NEGOTIATE A LEASE WITH ALASKA GLACIER SEAFOODS IN ACCORDANCE WITH THE TERMS SET OUT IN THE PORT DIRECTOR'S MEMO DATED OCTOBER 16, 2009 AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

4. Auke Bay Commercial Loading Facility Fees.

Mr. Kueffner said at the Finance Committee Meeting we discussed some additional fees we may charge at the New Loading Facility for a minimum of one year. The proposed fees are:

A. We propose a fee of 5 cents per gallon for the sale of fuel. This charge will apply when fuel trucks utilize the facility for purpose of refueling vessels.

B. We propose freight charges equal to daily moorage charges for vessels that use the facility for resale freight loading and offloading.

C. We propose freight staging fees of \$25.00 per 24 hour period per 1000 square feet of space or portion thereof, except when the staging operation is less than four hours in duration.

Mr. Weltzin said this is the first time he has heard about the proposed fees at the loading facility. He has been using the facility for several months now and the current \$1.50 per minute for using the loading ramp is his main concern. The ramp at the loading facility has prolonged the loading process and been damaging to some of his equipment. He suggested reducing this rate until there is a better surface down the loading ramp.

Mr. Preston suggested adding the loading fee as an item for discussion at the next meeting since it is not one of the new fees being proposed.

Mr. McLeod said he did not believe there was storage area available at the Auke Bay Loading Facility, there was only freight staging area.

Mr. Benner said there is storage space available at the facility to the right as you drive into the lot and the staging area is to the left.

Mr. Williams asked Mr. Weltzin how much longer it was taking him on the average to load freight at the new facility compared to the Auke Bay Ramp.

Mr. Weltzin said depending on the tides and type of freight that is being loaded, it can take anywhere from 30 minutes to 2 hours longer to load at the Auke Bay Loading Facility.

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VI. Items for action (continued).

The impact per load applied over a season can add thousands of dollars of expense. The tires on his forklift are being torn up by the rocky ramp and they are \$1,000 each to replace. The loading facility ramp is defiantly a downgrade from Auke Bay Harbor in it's current condition and it would be nice if there was some leniency on the rate until the ramp can be resurfaced.

Mr. Stone said we have been working on trying to get a better surface we may try D1 as a temporary solution.

Mr. Fisk said we are actively seeking funding to complete the concrete planking on the loading ramp. In the interim, if there is a real added cost for users at the Loading Facility maybe we should address the issue at the next Operations Committee Meeting.

MOTION by Mr. Kueffner: TO PROPOSE AMENDMENTS TO FEE REGULATIONS GOVERNING THE AUKE BAY LOADING FACILITY AS RECOMMENDED BY THE FINANCE COMMITTEE AND TO HOLD PUBLIC HEARINGS AT THE NOVEMBER 19 FINANCE COMMITTEE MEETING AND THE DECEMBER 3 BOARD MEETING AND TAKE FINAL ACTION AT THE DECEMBER 3 BOARD MEETING AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

5. Statter Harbor Launch Ramp Additional Funding.

Mr. Gillette said we are in the process of completing the EA for Statter Harbor and there is some additional work that needs to be done. PND Engineers has estimated the additional work to cost an estimated \$125,000.00. Fish and Game has indicated that they are going to modify our existing co-operative agreement by adding \$150,000.00 to complete that work. The Board needs to recommend the assembly approve an appropriation ordinance and accept the money. We should have the final paperwork in a couple of weeks.

MOTION by Mr. Fisk: TO ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE ASSEMBLY APPROVE AN APPROPRIATION ORDINANCE TO ACCEPT \$150,000 FROM THE ALASKA DEPARTMENT OF FISH AND GAME FOR COMPLETION OF THE ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED STATTER HARBOR LAUNCH RAMP PROJECT.

The motion passed without objection.

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VI. Items for action (continued).

6. Statter Harbor Launch Ramp Additional Professional Service Fees.

Mr. Gillette said we can also bring this amendment to the existing contract with PND Engineers for the completion of the Environmental assessment to the Assembly at the same time.

MOTION by Mr. Fisk: TO ASK UNANIMOUS CONSENT TO RECOMMEND THAT THE ASSEMBLY APPROVE ADDITIONAL PROFESSIONAL SERVICE FEES IN THE AMOUNT OF \$125,000 TO PND ENGINEERS, INC. FOR COMPLETION OF THE ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED STATTER HARBOR LAUNCH RAMP PROJECT.

The motion passed without objection.

VII. Items for Information/Discussion.

A. CBJ Self Insurance Requirements Policy.

Mr. Stone said there is a new policy regarding self insurance included in the packet for Board review. This policy will soon be adopted and they are looking for comments or feedback fairly quickly.

There was brief discussion between committee members.

B. Discussion of Dock Financing Plan.

Mr. Stone said the committee of the whole is meeting again at 6:00 this coming Monday and he wanted to get comments and suggestions about the Dock Financing Plan 16B.

Mr. Mehrkens said that Mr. Stone had presented an incredibly good rational for 16B at the last committee meeting and possibly adding a power point presentation to go along with it would be a good idea.

Mr. Fisk said at the last meeting Assemblyman Dahl had asked our opinion about the other projects and if we should let them know where we stand on other projects we have looked at such as Goldcreek. For the last six years that he has been a board member, they have been discussing various Dock Concepts so this item is not new to discussion.

Mr. Mehrkens said it was his understanding that the current financing plan was designed to complete the project with zero additional liability to the tourism industry.

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VII. Items for Information/Discussion(continued).

Mr. Dybdahl said he would like to be helpful in this instance, but he felt Docks and Harbors needed to clarify their expectations with regard to the next C.O.W. and moving forward. Given economic uncertainty in regard to tourism, a good number of the assembly will hesitate to give 16B their approval. Since this project is roughly 10 years in the planning stage, there are too many compelling reasons to move slowly on this item. The C.O.W will certainly have questions about congestion, Geo technical, and other unresolved issues relating to 16B.

Mr. Fisk said the time to move forward with this project is now it has been in the planning phase long enough and it is a good solid proposal.

There was further discussion between committee members.

C. Discussion of Committee Meeting Sequence.

Mr. Preston said the question had come up asking why the Finance Committee Meeting is not the last meeting in the monthly schedule. The Finance Committee seems to be the gate keeper for the other committees. Most items that come up in both the C.I.P and Operations Committees are finance related. For the next calendar year, let's move the Finance Committee Meeting to later in the month.

Mr. Fisk said the meeting order is not in our bylaws it has just been scheduled in this order forever. If we switched the C.I.P Committee meeting with the Finance Committee Meeting every committee member would have a chance to look at items with significant financial implications.

The Committee decided to change the Finance Committee Meeting to the Tuesday following the C.I.P and OPS Committing Meetings for the next calendar year.

VIII. Committee and Board Member Reports.

A. Operations Committee Meeting.

Mr. Williams said he was chair in Ms. Jebe's absence. Mr. Benner spoke about abandoned and derelict boat management. He used the Grizzly Bear in Douglas as an example. It is an old wooden boat and if it sank it could be very costly to the Harbor to bring to the surface. We also decided to close the Horton's Parking lot for the winter we will not be plowing it.

B. Finance Committee Meeting.

No New Items were presented.

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VIII. Committee and Board Member Reports(continued).

C. CIP/Planning Committee Meeting.

No New items were presented.

IX. Administrative Officer's Report.

Mr. McLeod said he has been working on Leases that are up for renewal or rent increase. He has also been working on the FY11 and FY12 budget

X. Port Engineer's Report.

Mr. Gillette's report was included in the meeting packet. He also included some photos of the new six hundred ton lift in Kodiak.

XI. Harbor Master's Report.

Mr. Benner said received word that the State will be clearing the road all the way to Echo Cove this year.

XII. Port Director's Report.

Mr. Stone said he wanted to remind everyone that Monday they have three meetings. At noon there is the Public Works and Facility Committee meeting, at 5:00 p.m. there is a Lands Committee Meeting and then at 6:00 p.m. there is a Committee of the Whole Meeting. He also said he would like to do some advertising of the New Auke Bay Loading Facility on KINY radio throughout Southeast Alaska. He would like to run about 10 spots over the next two months targeting different user groups.

Mr. Stone also asked for a motion from the board to roll over his unexpended leave. He said he has been in a position where it has been almost impossible to use any of his leave.

MOTION by Mr. Fisk: TO RECOMMEND TO THE CITY THAT THE PORT DIRECTOR'S LEAVE BE CARRIED OVER AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

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XIII. Committee Administrative Matters.

A. Meeting Calendar for December 2009

Operations Committee Meeting – December 17, 2009

5:00 p.m. at the Aurora Harbor Office

Finance Committee Meeting – November 19, 2009

5:00 p.m. in the CBJ Assembly Chambers

CIP/Planning Committee Meeting – December 1, 2009 (November Meeting)

5:00 p.m. at the CBJ Assembly Chambers

Regular Board Meeting – December 3, 2009 (November Meeting)

7.00 p.m. at the CBJ Assembly Chambers

XIV. Adjournment

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

The motion passed without objection.

The Regular Board Meeting was adjourned at 9:00 p.m.