

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES

For Thursday, November 19, 2009

I. Call to Order.

Chairman Kueffner called the Finance Committee Meeting to order at 5:01 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

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

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

Also in attendance were the following: Mr. Stone-Port Director, Roy McLeod-Administrative Officer and Phil Benner-Harbormaster.

III. Approval of Agenda.

Mr. Stone said he would like to add two items for information to the agenda as the following:

2. Lenhart Appraisal.

3. Resident Surcharge Issues.

MOTION by Ms. Jebe: TO ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED.

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Approval of Previous Meeting Minutes.

MOTION by Ms Jebe: TO ASK UNANIMOUS CONSENT TO APPROVE THE OCTOBER 15, 2009 FINANCE COMMITTEE MINUTES AS PRESENTED.

The motion passed without objection.

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VI. Items for action.

1. Jason Maroney Payment Agreement.

Mr. McLeod said Mr. Maroney previously came before the Board proposing a payment plan and some relief from accrued daily moorage charges. The Board directed Harbor staff to negotiate a payment plan with Mr. Maroney and then submit the Plan to the Finance Committee for final review.

Mr. Preston clarified that the Finance Committee just needs to approve the payment plan and it does not need to go back to the Regular Board.

Mr. Maroney has paid the remainder of the moorage year in full as agreed at the previous meeting. Payments on his delinquent moorage fees of \$5,638.47 will be \$200 on the first of each month with an additional \$1,000 at the end of each quarter.

MOTION by Mr. Preston: TO ACCEPT THE DELINQUENT PAYMENT AGREEMENT AS PRESENTED BY STAFF AND ASK UNANIMOUS CONSENT.

The Motion Passed without objection.

2. Auke Bay Commercial Loading Facility Fees and Charges.

Mr. McLeod said we are proposing several fees to be charged at the Auke Bay Commercial Loading Facility (ABLF). This item is open to public comment. We have made some minor changes to the proposed fees just to clarify what activities the fees are intended for.

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. This is the same charge being applied to fuel being sold at our leased facility.

B. We propose freight charges equal to daily moorage charges for vessels that use the facility for resale freight loading and offloading. The only exception would be for vessels that have paid moorage at another CBJ Harbor facility and use the ABLF for less than four hours.

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. Preston asked if we were complying with Coast Guard regulations for loading fuel at the facility with the proposed fees.

Mr. Benner said he believed it would be the responsibility of the Truck loading the fuel to be in compliance with the Coast Guard regulation for loading fuel.

Mr. McLeod said a new version of Amend 05 CBJAC 45.050(j) has been provided to clarify the proposed fees.

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VI. Items for Action (Continued)

MOTION by Mr. Preston: TO FORWARD THE PROPOSED FEES AND CHARGES AT THE AUKE BAY LOADING FACILITY AS A REGULATORY AMENDMENT TO THE FULL BOARD AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VII. Items for Information/Discussion.

1. Docks and Harbors Revenue Report.

Mr. McLeod provided a new revenue report. He said we are ahead of last year in Harbors mainly because the lease fees have been moved over to Harbors. We are a bit behind last year in Dock Revenues and most of that can be attributed to summer daily moorage for vessels over 65ft.

Mr. Mehrkens asked if the Dock revenues were down because of the higher fees this year.

Mr. McLeod said earlier in the year, John spoke with many of the charter vessels that use the IVF Float and they had said they had not booked enough passengers to make as many trips this year. As far as we can tell, there were just fewer visits at the IVF Float this year.

Mr. Kueffner said earlier in the year the board had considered giving the charter vessels using the IVF Float a break on moorage but he could not remember if the board approved the fee change.

Mr. Stone said they did not lower the fees at the IVF Float for the past season.

Mr. Preston asked why there were no revenues recorded for Passenger for hire vessels.

Mr. Stone said the majority of those fees are collected in the first part of the year some time after January. Many of the permits are just a one time fee. Only the Inspected-annual vessels pay the monthly seat fee. It is often hard to catch the vessels that are doing passenger for hire but not paying us for a permit.

There was a brief recap of various passenger for hire fees assessed in the Harbors.

2. Lenhart Appraisal.

Mr. Stone said as part of the Statter Harbor launch ramp project, we are considering a purchase of property at 11755 Glacier Highway. At the Board's direction, we obtained an appraisal of the property and I have asked the City Assessor to informally review the appraisal. The appraised value of the property is \$650,000 and the Assessed value is \$567,000.

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VII. Items for Information/Discussion(continued).

The Assessor did question the sale price of comp. #4 in the sales comparison method of the appraisal. The sale price listed in the appraisal is \$599,000 and his records show a sale price of \$525,000 which could lower the appraised value. His primary concern with the appraisal was the site size adjustment under the sales comparison approach spread sheet. It appears the comps site values are being adjusted upward by a significant amount and there is no explanation. He has asked for an explanation from the appraiser.

Mr. Stone suggested the committee appoint one or two members to work with the City Assessor and the property owner to help negotiate a purchase contract.

Mr. Preston and Mr. Mehrkens volunteered to help negotiate a purchase price.

Mr. Kueffner asked if the purpose of acquiring the property was to tear the building down.

Mr. Stone said the building probably would be torn down. The elevation of the new launch ramp is much higher than the house and it would end up with a very tall retaining wall right in the back yard.

3. Resident Surcharge issues.

Mr. Stone said right now we have a resident surcharge of \$69 per month that we charge for vessels that have at least one person using the vessel as their primary residence. The Harbormaster has brought up an issue where we have a few very large boats that have many liveaboard residents and the vessel is still only charged the \$69 per month. This fee was really only meant to cover one or two people. We do not want to increase the basic resident fee, but we may need to consider some kind of graduated fee for these vessels with many residents.

Mr. Kueffner said he was still concerned with the justification for the liveaboard fee because it is hard to show where liveaboards use more utilities than non-liveaboards.

Mr. Stone said he did know that many harbors do not allow liveaboards and they do not provide year round water and Mr. Benner could show were providing year round water alone is a huge expense to the Harbor Department. For FY10 we have collected \$24,000 in resident surcharges and Harbors has spent over \$25,000 replacing heat tapes alone. We also provide snow removal and extra garbage service for our patrons.

Mr. Mehrkens asked if Harbors was re-cooping 100% of the cost for liveaboards.

Mr. Stone said it is hard to say if we are re-cooping the costs. The staff does not think we are breaking even on these fees.

Mr. Mehrkens asked if we could group the liveaboards together and minimize water service to the rest of the harbor.

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VII. Items for Information/Discussion(continued).

Mr. Stone said it would be hard to group the liveaboards together. Other harbors limit liveaboards by not providing water year round.

Mr. Benner said that most of the Harbors south of Juneau do not have the heat trace issues that we do.

Mr. Preston asked if it was possible to limit liveaboards to only one of the harbors and not provide year round water to the others.

Mr. Stone said we could take a look at that and get back to the board. The problem is that we have float houses scattered around and it would be hard to group them together.

Mr. Mehrkens said at one time it was beneficial to have the liveaboards in the harbor because they kept an eye on things.

Mr. Stone said we do have some good liveaboards that have helped keep vessels from sinking, put out fires and alerted us to other problems. We have several large vessels that are basically running like a boarding house.

Mr. Kueffner suggested the resident surcharge could be based on vessel length.

VIII. Staff & Member Reports.

There was none.

IX. Committee Administrative Matters.

The Committee cancelled the next Finance Committee Meeting previously scheduled for December 17, 2009.

X. Adjournment.

MOTION by Ms. Jebe: TO ADJOURN AND ASK UNANIMOUS CONSENT.

The meeting adjourned at 5:38 p.m.

