

CBJ DOCKS & HARBORS
FINANCE COMMITTEE MEETING MINUTES

For Tuesday, January 25, 2011
(No audio available for this meeting)

I. Call to Order.

Eric Kueffner called the Finance Committee Meeting to order at 5:00 p.m. in room 224 of the Assembly Building.

II. Roll Call.

The following members were present: Kevin Jardell, Cheryl Jebe, Jim Preston, Greg Busch and Eric Kueffner.

The following members were absent: Don Etheridge and Tom Donek.

Also in attendance were the following: John Stone-Port Director and Ruth Danner-Assembly Liaison.

III. Approval of Agenda.

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

The motion passed without objection.

IV. Public Participation on Non-Agenda Items.

There was none.

V. Items for action.

1. Fisherman's Bend Purchase Report.

Mr. Stone said he was asked to undertake a cursory review of the purchase of Fisherman's Bend Marina Complex. The owner's have offered to sell the complex to the CBJ for \$4 million which compared to the assessed value appears to be consistent with the sales offer. After reviewing the income information provided, he felt the Docks and Harbors Department would have an adequate income stream to continue operation of the complex. However, the marina has an estimated useful life of 5-10 years and the planning cost for replacing the marina is about \$60,000 per vessel. We would also need additional staff to run the facility and we would need to address a bunch of other issues if the marina changes from private to public ownership.

In short, the harbor enterprise can not afford to purchase or replace the marina, however the enterprise could operate the marina based on cash flows. It would be tragedy if the property were lost for boating access. Mr. Stone suggested the Board consider asking the Assembly to place the purchase on the ballot so the community can decide if wants to keep the complex open to the public.

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V. Items for action (Continued).

Mrs. Jebe asked if the City had ever gone for a bond to purchase property.

Mrs. Danner asked if there was a C.I.P. for the purchase of open space on the water.

Mr. Stone said he did not recall the city ever purchasing property through a bond and the waterfront purchases must be cruise ship related.

Mr. Kueffner asked if there was a comprehensive plan for harbors which estimated how many slips are needed for Juneau residents and where residents prefer to moor their vessels. He was concerned that Statter Harbor could get very crowded if the Fishermen's Bend Complex was closed and there is already a shortage of vehicle parking for Statter Harbor.

He also asked if Docks & Harbors had approached the Assembly about the purchase.

Mr. Stone said he had originally approached Lands & Resources and had presented the purchase to the assembly only as an information item.

Public Comment

Dennis Watson

Mr. Watson said Juneau's expansion is in the valley area closest to Auke Bay. All commercial property coming available will be in the valley. In the downtown Harbors there are many empty slips because many people prefer the valley area and Auke Bay is where we need moorage at. He did not want to see Fisherman's Bend shut down.

Paul Swanson

Mr. Swanson asked if the Fisherman's Bend Facility had a travel lift.

Mr. Wolfenberger, Fisherman's Bend Representative, said the facility does not have a travel lift.

Bruce White

Mr. White said it would be tragic to lose Fisherman's Bend Moorage. He suggested the owners of Fisherman's Bend approach the tour companies and cruise lines to see if they might have some interest in purchasing the complex for tourism.

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VI. Items for action (Continued).

Committee Discussion

Mr. Preston said he was in favor of purchasing the marina and liked the idea of approaching the assembly and asking them to place it on the ballot so that the community can decide.

Mr. Jardell said he currently has a vessel at Fisherman's Bend and prefers that location over the downtown harbors. He would like the Harbor Department to gain the extra 200 slips in Auke Bay, but questioned how many new slips could be added to Statter Harbor for the \$4 million. Since the economic growth is moving from the downtown area to the valley, maybe the Board should consider abandoning the Douglas Harbor rebuild project and putting those funds into Statter Harbor.

Mr. Kueffner said before we put a lot of effort into this project the Board should approach the Assembly and see if there is any interest.

MOTION by Mr. Preston: TO HAVE THE PORT DIRECTOR PREPARE A LETTER TO THE ASSEMBLY RECOMMENDING THE FISHERMAN'S BEND PURCHASE BE PLACED ON THE BALOT FOR THE COMMUNITY TO VOTE ON.

The motion passed with 4 members in favor and 1 opposed.

2. Docks and Harbors FY12 Amended Budget Approval.

Mr. Stone presented the FY12 Amended budget to the Board and gave a recap of the changes.

He said the FY12 docks amended expense budget is 1.6% higher than the FY12 approved budget. The increase comes from additional expenses in personnel services resulting from the change in seasonal staff assignments from five to six months duration.

The FY12 docks amended revenue budge shows a slight increase over the approved budget but there were no significant changes.

The FY12 harbors amended expense budget is 1.7% higher than the FY12 approved budget which is also a resulted from the personnel seasonal staff assignments changing from five month assignments to six months.

We are expecting increases in some harbor fees and land lease rentals and downtown monthly moorage shows a significant increase above last year's projection.

Pursuant to the bond covenants, we are required to show that our annual revenues exceed our annual expenses by at least 25% of the annual debt service, or \$187,850. Our budget shows \$205,342 so we meet this test.

VI. Items for action (Continued).

MOTION by Mrs. Jebe: TO RECOMMEND THE BOARD ADOPT THE FY12 AMENDED BUDGET FOR DOCKS AND HARBORS AND TO FORWARD IT TO THE CBJ FINANCE DEPARTMENT FOR PRESENTATION TO THE ASSEMBLY AND ASK UNANIMOUS CONSENT.

The motion passed without objection.

VII. Items for Information/Discussion (continued).

1. Dehart's Marina Rate Information.

Mr. Stone said he was asked to provide a summary of moorage rates for Dehart's Marina since Docks and Harbors took over ownership on June 30, 2005. He provided a historical overview of the moorage rates at Dehart's from June 2006 through June 2010.

VIII. Staff & Member Reports.

Mr. Stone said the Annual Boat show in Washington was well attended and they ran out of literature to hand out. The last couple of years the Alaska Harbormasters have shared a booth and the Port of Juneau should consider having their own booth next year. This could help Juneau harbors get more exposure and advertising instead of being lumped together with all the other harbors.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting – February 22, 2011 in CBJ room: 224.

X. Adjournment.

MOTION by Mr. Preston: TO ADJOURN THE FINANCE COMMITTEE MEETING AND ASK UNANIMOUS CONSENT.

The meeting adjourned at 7:05 p.m.

