

CBJ DOCKS & HARBORS BOARD
FINANCE MEETING MINUTES
For Tuesday, August 27th, 2013

I. Call to Order

Mr. Donek called the Finance Committee Meeting to order at 5:00pm in CBJ room 224.

II. Roll Call

The following members were present: Greg Busch, Kevin Jardell, Mike Peterson, Scott Spickler, and Tom Donek.

Also in attendance were the following: Carl Uchtyl – Port Director; Gary Gillette – Port Engineer.

III. Approval of Agenda.

MOTION BY MR. JARDELL TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items – None.

V. Approval of June 25th, 2013 Finance Committee Meeting Minutes.

MOTION BY MR. SPICKLER TO APPROVE THE JUNE 25, 2013 FINANCE COMMITTEE MEETING MINUTES AND ASKED UNANIMOUS CONSENT.

Motion passed with no objection.

VI. Items for Action.

1. PND Engineer Contract Amendment for Construction Administration & Inspection – Cruise Ship Staging Area Improvements (Phase II)
Presentation by the Gary Gillette, Port Engineer

Mr. Gillette addressed the PND Engineering proposal in the packet for the contract administration inspection during construction. He advised Miller Construction was awarded the bid starting inspection 9/19/13 and finishing 5/2/14. It is a time and materials contract amendment with the best estimate for what will be spent. PND estimates are usually accurate. Phase I they were under estimated expenses. Mr. Gillette said this needs to go to the full board to be recommended to the Assembly since it is over \$100,000.00. It is scheduled for the September 9th meeting.

Committee Questions

Mr. Donek asked what is the total amount of the construction contract.

Mr. Gillette answered the bid is \$2,990,100.00. The estimate was \$3.3 million.

Mr. Busch asked what about the problems Miller Construction has had with their other contracts such as Ketchikan.

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Mr. Gillette answered he understood they were too far behind in Ketchikan so the contract was cancelled. He said they are also behind on two other projects and we let PND know this issue. They are the lowest bidder so they won the bid.

Mr. Jardell asked what are they behind on.

Mr. Gillette answered Glacier Hwy Extension Project and the Round About.

Mr. Uchytel said they also behind on the Auke Bay School project.

Mr. Peterson asked what role does finance committee play if Miller Construction is behind.

Mr. Uchytel answered there would be financial penalties of \$2,500.00 per day if Miller is Delayed in substantial completion.

Mr. Gillette answered it will be hard for construction if there is a tough winter. We will talk to PND about scheduling to coordinate the concrete workers so there are not any delays.

Mr. Spickler asked who determines the \$2,500.00 per day penalty.

Mr. Gillette answered it is Docks & Harbors and we would have to defend it in court and we will have inspectors and staff working on the project as well so we need the project to keep moving along.

Mr. Uchytel said we want to get this started right away on September 19th even before the last cruise ship and hope to not ruin any local commerce.

Public Comment – None.

Committee Discussion/Action

MR. JARDELL MOVED TO APPROVE THE PND AMENDMENT FOR THE CONSTRUCTION ADMINISTRATION & INSPECTION OF THE CRUISE SHIP STAGING AREA IMPROVEMENTS (PHASE II) AND ADVANCE IT TO THE FULL BOARD TO THEN GO TO THE ASSEMBLY AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection

2. PND Engineer Contract Amendment – Statter Harbor Launch Ramp Design
Presentation by the Port Engineer – Gary Gillette

Mr. Gillette said we will be moving forward with the final design of the Statter Harbor Launch Ramp now that CBJ has the permits. Docks & Harbors will be going

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in to the bidding process, requesting additional funding for surveys and other applications, and setting up public participation. It is a total of \$775,661.00 which is 8.7% of estimated construction costs. This will go to the assembly was well.

Committee Questions - None

Public Comment - None

Committee Discussion/Action

MR. JARDELL MOTIONED TO APPROVE THE PND CONTRACT AMENDMENT FOR THE STATTER HARBOR LAUNCH RAMP DESIGN AND RECOMMENDED TO ADVANCE TO THE FULL BOARD AND THEN TO THE ASSEMBLY AND ASKED UNANIMOUS CONSENT.

Motion passed with no objections.

3. Legislative Grant Prioritization List
Presentation by Port Director – Carl Uchytel

Mr. Uchytel was asked by the City Manager what does Docks& Harbors need for lobbyist support and what to request from the Governor to work in to the budget for the city. Mr. Uchytel asked for \$3 million for Douglas Harbor and \$5 million for Aurora Harbor and stated nothing is guaranteed.

Committee Questions

Mr. Busch asked if we are limited to a certain list of what we can request.

Mr. Uchytel answered it is wide open.

Mr. Jardell said the CIP had a longer list that was part of the city budget but it was made smaller.

Mr. Uchytel said Docks & Harbors still have a list for several other future improvements.

Mr. Peterson asked if we can ask for more.

Mr. Uchytel answered we will ask for the moon but the pot is only so big for CBJ projects.

Mr. Jardell said we want to make sure we have other projects the legislators are aware of in case they want to allocate money to instead of what we ask for.

Mr. Donek said the Douglas funds would be for increased construction costs and the Aurora money would be for Phase II of the rebuild.

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Mr. Jardell asked if we are fully funded for the Statter project master plan.

Mr. Gillette answered we need a little more for the boat haul out and we have nothing for the for-hire float. The cost estimates are up. We have money in the CIP account we are using that was for the boat haul out.

Public Comment – Dennis Watson, Juneau, AK

Mr. Watson said he supports the boat haul out and additional funds would get public support but the passenger for hire will probably not get the public support. There would be support for Amalga or Echo Cove improvements that Cathy Munoz could get behind as well.

Committee Discussion/Action

Mr. Jardell said there will probably be a very reduced capital budget. We should finish the Statter Master Plan project first and get a final estimate for completion.

Mr. Donek asked Mr. Gillette if he can get the final estimate.

Mr. Gillette answered yes.

Mr. Uchytel said we have \$1.5 million from sales tax dedicated to the boat haul out. We have a lot of unknown costs and if we ask for an amount and we don't need it, it may be allocated where we can't use it for something else.

Mr. Busch asked can we get money to float between projects that would not be earmarked.

Mr. Jardell said it is easier to get money re-appropriated in the same department budget once we have it.

Mr. Jardell asked for a third option from Mr. Uchytel to present to the board for a grant if possible and it can be discussed at the full board meeting if a third option is needed.

MR. JARDELL MOTIONED THAT WE ADVANCE THESE TWO GRANT REQUESTS FOR DOUGLAS AND AURORA HARBOR TO THE FULL BOARD FOR APPROVAL AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection.

4. State of Alaska (Douglas Island Center Building) Request for use of Douglas Harbor Parking Lot
Presentation by Port Director-Carl Uchytel

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Mr. Uchytel said State of Alaska Department of Administration would like to rent 40 parking spaces at Douglas Harbor. Mr. Uchytel said the operations committee gave approval but the state would need to provide their own snow removal. Mr. Uchytel said we already have an agreement with ADF&G for 26 spaces and it has worked well.

Committee Questions

Mr. Donek asked if they still have their own parking lot.

Mr. Uchytel answered yes; they need additional spaces for a greater demand.

Mr. Spickler asked if there was discussion at the Ops meeting how long this is for.

Mr. Uchytel answered it would be a higher end price with 10-year annual renewal lease and he will work more on this before it goes to the full board.

Public Comment - None

Committee Discussion/Action

Mr. Peterson asked if a higher price of \$42.00 per space per month is enough to cover snow removal. If snow removal is included can we ask for more.

Mr. Busch said that we could do a lower rate if they provide their own snow removal.

Mr. Donek said we do not want to be in a position where we can't cover our snow removal costs.

Mr. Uchytel said we have to remove snow anyway but it is a question of can we do it in time.

Mr. Jardell said we should advise we cannot guaranteed snow removal by a certain time and they need to be responsible.

Mr. Donek said the details should be worked out before we take it to the full board.

VII. Items for Information/Discussion.

1. Southeast Alaska Land Trust (SEAL Trust) – Statter Boat Launch Mitigation Obligations/Next Steps
Discussion by the Port Director – Carl Uchytel

Mr. Uchytel said at the CIP/Ops meeting it was discussed the amount of what value SEAL Trust is asking for as compensatory mitigation. When building Statter Harbor boat launch, CBJ will disturb eel grass and there is a value

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assigned for different items that are disturbed. We are filling 4.1 acres and they are valuing that we need to mitigate 10.2 acres. We can find 10.2 acres of city property and put in to conservation then we can have the right to fill in the tidelands. Mr. Uchtyl said we should get an appraiser to verify what is fair.

Mr. Gillette said per Gretchen at SEAL Trust there needs to be like land to be traded for the right to Statter Harbor Boat Launch area. Mr. Gillette said there is none in Juneau and we need to see if they can broaden the criteria for location.

Mr. Donek asked how did they get a value at 10.2 acres.

Mr. Uchtyl answered that they have a multiplier of value for each area. The 1.1 acres of eel grass has a multiplier of 10.

Mr. Gillette said it is negotiated and they wanted a 6-1 ratio for the entire project and our consultants from Anchorage said that it is not reasonable. Eel grass has a higher value but the amount we are affecting is only .11 acres and so it was broken down and assessed each area. It all adds up to 10.2 acres for the 4.1 acres we are affecting.

Mr. Spickler asked is the problem that this is on state land or that the land does not exist in this area anymore.

Mr. Gillette answered it is that we have no land options to buy to provide the 10.2 acres for mitigation since it is already state or federally owned land. We do not have any city wetlands that have eel grass that we can use. There are very little privately owned tide lands.

Mr. Spickler asked what was the monetary value that the CIP/Ops committee is comfortable with.

Mr. Uchtyl answered it was valued at \$730,000.00 and we thought it would be half of that.

2. Auke Bay Loading Facility Net Float – Option to Purchase Discussion by the Port Director – Carl Uchtyl

Mr. Uchtyl said he was approached by Marion Hobbs a couple of years ago, who owns a 150 foot barge that we took to use as an Auke Bay Net float. Mr. Hobbs is now asking if CBJ wants to buy it for \$30,000.00 since he got interest from other contractors to purchase it.

Mr. Donek asked if we know how much it is used.

Mr. Uchtyl answered we do not have that information.

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Mr. Donek asked how old is the barge.

Mr. Uchytel said he did not know but it is in good shape.

Mr. Gillette said it would be \$50,000-\$70,000 to build one and we already spent \$7,000.00 to move it and anchor it by the ABLF.

Mr. Busch said we need more information like what is the life cycle cost, expected life span, and how much is it used.

Mr. Donek said we need assurance that it is really being used. What kind of condition is it really in. We need to talk to city on how to procure it without going out to bid.

Mr. Spickler said we should let Marion Hobbs sell it on the market.

Mr. Jardell said it did go in because we did hear from the Commercial Fisherman & the processors that it was needed.

3. Aurora Harbor Rebuild – Financial Considerations
Discussion by the Port Director – Carl Uchytel

Mr. Uchytel said the CIP/Ops Committee liked option #2 for the Aurora Harbor rebuild. There may have been financial considerations needed if we had less stalls for revenue. There is a good point to have no 24 foot stalls and then smaller boats can park in bigger stalls.

Mr. Donek said we need to discuss how we charge for moorage if we are going to make wider stalls then we need to consider charging length and width.

Mr. Busch said I have never heard of a width fee and it would be a real challenge.

Mr. Jardell said it is not an issue now. We need to see the trend as far as what size boats are in the majority in our harbor now.

Mr. Busch said we do not want to displace anyone.

4. FY13 – Raw Fish Tax Revenue
Discussion by the Port Director – Carl Uchytel

Mr. Uchytel said we receive 50% of the Raw Fish Tax Revenue for the fish that is processed within Juneau municipality. All that money comes to Docks & Harbors. Last year we received about \$420,000.00. We do not receive this until about November and we should not post it to our prior fiscal year anymore. We should forgo the amount for FY13.

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Mr. Jardell asked if this create a budget deficit.

Mr. Uchytel said we will have one year that will show zero and our budget should be fine.

Mr. Peterson asked if we have financial burden for the Millennium canceling sailings, are there any matching funds for the raw fish tax and does that have any bearings on the legislative monies, and of this \$425,000.00 is it divided in two or is \$425,000.00 half of what actually came in.

Mr. Uchytel answered the \$422,000.00 goes directly to the Harbors funds. The Millennium cancellation had the Port/Docks shorted income about \$15,000.00 and the head tax money.

Mr. Donek said we may still have a period of time of not knowing the amount of fish tax during our fiscal year budgeting.

VIII. Staff & Member Reports.

Mr. Uchytel reported that Docks & Harbors received a \$75,000.00 grant for security cameras for the dock area.

Docks & Harbors requested a grant for marine services building at the end of Bridge Park.

Mr. Uchytel reported he has given the Mount Roberts Tram & Goldbelt all the documents they have requested from CBJ legal. Another activity with Goldbelt is the property where the Seadrome building is located and it is on Docks & Harbors tidelands and the price is going to double after it was reappraised.

Mr. Uchytel reported the passenger-for-hire fees collected from the charter boat operations are divided in to two groups, inspected and uninspected vessels and also determined by size for fees. The six passenger boats pay one-time fee of \$50.00 plus one-time \$15.00 per seat and the inspected vessels pay \$225.00(actual amount is \$300.00) plus \$1.10 per passenger per day. We collect on the honor system for the per passenger fees. We may need a better way to charge fees. The numbers are \$66,000.00 for inspected vessels and the uninspected vessels is much less. Plus any moorage.

Mr. Jardell asked what is the fairness issue.

Mr. Uchytel asked is one-time fee of \$140.00 fair for the six-pack operators.

Mr. Jardell said there are a wide variety of six-pack users for part time and full time businesses.

Mr. Donek said the first question is where did the amount of the fees come from. What is the history and why are we doing this.

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Mr. Jardell asked what is a fishing boat pay, just moorage.

Mr. Uchytel answered yes.

Mr. Busch said the questions is are we charging enough for all the in/out of the charter operators and the multiple daily use of the facility.

Mr. Uchytel asked if we have reached capacity.

Mr. Peterson said we should get through the season and we could do a thorough evaluation of the fees. We should have the conversation about have we met our carrying capacity.

Mr. Donek answered we will do these fee evaluations over winter.

Mr. Uchytel reported were are going out for an RFP selection for the 16B contract administration services.

IX. Committee Administrative Matters.

1. Next Finance Committee Meeting September 24th, 2013 @ 5:00 pm in CBJ Room 224

X. Adjournment.

The Finance Committee meeting adjourned at 6:58pm.