

CBJ Docks and Harbors Board
Harbors Fee Review Committee Meeting Minutes
For Tuesday, September 30th, 2014

I. Call To Order – Budd Simpson called the meeting to order at 5:03 p.m. in CBJ room 224.

II. Roll Call – The following members were present: Tom Donek, Bob Janes, David Logan (via telephone), Scott Spickler, and Budd Simpson.

Also present were the following: Carl Uchytel – Port Director (via telephone), and Dave Borg – Harbormaster (via telephone).

III. Approval of Agenda.

MOTION By MR.SPICKLER: TO APPROVE THE AGENDA AS PRESENTED AND ASK FOR UNANIMOUS CONSENT.

No Objection

IV. Approval of September 18th, 2014 Harbor Enterprise Fee Review Committee minutes.

The Committee wanted more time to review the minutes. The minutes were deferred to the next meeting for approval.

V. Action Item

1. Passenger-for-hire Fees (05 CBJAC 20.080)

- o The fee assessed to a person conducting passenger-for-hire activities at Douglas Boat Harbor, Harris Harbor, Harris Harbor Launch Ramp, Aurora Boat Harbor, Statter Boat Harbor, or Statter Boat Harbor Launch Ramp.
 - Inspected vessel fees
 - 4/2006; 4/2005; 12/2005
 - Calendar year permit: \$300.00 plus \$1.10 per passenger each calendar day.
 - Uninspected vessel fees
 - 4/2006; 4/2005; 12/2005
 - Calendar year permit: \$50.00 per vessel plus \$15.00 per passenger seat.

Mr. Simpson said the discussion on the Passenger-for-hire fees began at the last meeting on September 18th. The Committee decided to break up the fee issues into manageable segments. The main purpose for tonight's meeting was to encourage patrons interested in the subject to come forward with suggestions.

Mr. Janes asked why Amalga Harbor launch ramp is not listed in the passenger-for-hire locations? The Amalga Harbor may someday be used by the commercial users as much as the other launch ramps.

Mr. Simpson said North Douglas is known to have a lot of commercial activity and it is also not listed in the regulation.

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Mr. Janes said North Douglas is actually collecting a fee for passenger-for-hire activities currently.

Mr. Simpson asked if there is passenger-for-hire activities currently at Amalga?

Mr. Donek said there used to be kayak companies using this launch ramp. There is a separate kayak launch area so they don't use the regular launch area.

Mr. Uchytel said he does not know why Amalga Harbor is left out, and he is not aware of any commercial activity.

Mr. Simpson said we do know there is commercial activities at North Douglas. He suggested to add the North Douglas, Amalga launch ramp, and Echo Cove launch ramp to the list for the discussion.

Mr. Uchytel said the COEUR of Alaska does use the Echo Cove launch ramp in the winter for transportation to Kensington mine through a Commercial Use Permit.

Mr. Simpson said they have a different use than the passenger-for-hire activity that is currently being addressed.

Mr. Janes suggested to propose a new passenger-for-hire rate and have a discussion.

Mr. Donek read the expense sheet provided in the packet. Statter Harbor passenger-for-hire activities expense total is at \$149,525.

Mr. Simpson said those expenses are classified as operational expenses and does not include anything for the facility. There is no capitalization.

Mr. Janes said he does not agree that the Statter Harbor expense sheet is just for the passenger-for-hire activities. The fishing fleet also uses the restrooms, restroom supplies, and dumpsters. He said this expense total is high.

Mr. Uchytel said his rationale for the staff is that if we didn't have approximately 70,000 passenger-for-hire activities, one Harbor Officer, one Harbor Technician and one Administrative Assistant would not be needed.

Mr. Simpson said the passenger-for-hire users do not have as much impact on the garbage expense as the commercial fisherman or recreational users have.

Mr. Janes said he only has a very small garbage bag at the end of the day from his passenger-for-hire activities. He said the garbage is used, but not much from the passenger-for-hire users.

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Mr. Donek asked if the \$45,000 on the expense sheet for garbage, port-a-potties, and supplies, and the \$105,000 for staff is the total expense for Statter Harbor.

Ms. Scovill said that is the total expense for port-a-potties, supplies and garbage for the months listed for Statter Harbor.

Mr. Donek said some of that use is by different users.

Mr. Simpson said port-a-potties were installed specifically for the passenger-for-hire activities.

Mr. Janes said he agrees that the port-a-potties is mostly passenger-for-hire expense.

Mr. Simpson said Statter Harbor has sufficient regular restrooms for the fisherman and recreational users. Staff was directed to provide an expense sheet on the expenses at Statter Harbor, the Committee now needs to determine how much the different users use the port-a-potties, garbage, and restroom supplies. He said he would suggest for the passenger-for-hire expenses: port-a-potties - \$9,304, garbage-\$5,000, Restroom supplies, \$4,000, staff - \$105,000 with a rough total of \$125,000.

The Committee discussed the revenues collected for FY14.

Mr. Janes proposed to add the same \$1.10 per passenger fee for the six pack vessels like it is for the inspected vessels.

Mr. Simpson said the six pack vessel passengers are using the same as the inspected vessel passengers so there should not be a different fee structure.

Mr. Spickler asked why the difference in the seat fee from FY13 to FY14?

Ms. Scovill said she was unsure.

Mr. Janes said Juneau Tours moved to Fisherman's Bend for FY14.

Mr. Donek asked if the Statter bus activity should be included in the revenues as off setting expenses.

The Committee discussed the Statter bus fees reporting and activities. The Committee decided to keep the fee structure the same. They are not certain if the fees will be raised at this time.

Mr. Donek said for the passenger-for-hire activities, the expense is \$50,000 more than the revenue.

Mr. Simpson said that would be one reason for the increase, but to also look into the six pack vessel fees. Should the six pack vessels be paying \$1.10 per passenger the same as the inspected vessels?

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Mr. Janes said he estimates if the six pack vessels paid the \$1.10 per passenger fee, Statter Harbor would generate \$40,000 more in revenue over a season.

2. Public Participation

Dean Murayama (via telephone), said he uses the ABLF once every five days with about 16 people. He asked if they are required to pay a per seat fee, if they take four people out in a six pack vessel are they going to have to pay for six seats?

Mr. Simpson said this would only be on the actual seat usage. The per person fee may go up at the same time. He said the Committee is trying to make the fee structure fair.

Mr. Juergens said he has a hard time believing the passenger-for-hire requires three Harbor staff. He said if Docks & Harbors is going to raise fees, it shouldn't be to close the \$50,000 deficit, but to generate funds for a specific project down the road. He said the passenger-for-hire vessels are paying for the services they are receiving.

Mr. Donek said he would like staff to inform the Committee what the staff expense is for.

Mr. Spickler said he thought the staff expense was what Mr. Borg determined was for the passenger-for-hire activities.

Mr. Simpson said the passenger-for-hire staff requirement is a component of the seasonal staff, but not the whole thing.

Mr. Janes said he is unsure how much staff time is going into the passenger-for-hire activities. He suggested during the summer this should be divided into thirds. It should be passenger-for-hire users, Commercial fisherman, and recreational users.

Mr. Donek asked to have Mr. Borg and Mr. Unruh at the next meeting to tell the Committee how the staff expense was determined.

Dennis Watson, Juneau, AK, he said the inspected vessels have a greater impact because they bring a greater number of passengers than the six pack vessels through the Harbor, and have a greater wear and tear on the facilities. He said he does not agree that it takes three full time seasonal employees for the passenger-for-hire activities. He commented on the Statter Car Parking daily use on the revenue sheet in the packet. He said there are double invoices, but only a small revenue increase.

Mr. Simpson said because the staff component to the passenger-for-hire fee is questioned, the Committee will need to hear from staff on how they determined that three staff was needed for the passenger-for-hire activities. They will need to justify that number or come back with a lower number.

Mr. Janes asked if the administrative assistant was billing all patrons?

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Mr. Donek said he is not assuming that the three staff on the expense sheet are just dedicated for the passenger-for-hire activities.

Mr. Simpson said this is 3/7 of the staff that work at Statter Harbor in the summer season. Is it really 3/7? He said there is one that you can justify and a part of others. It is hard to determine a number on a per passenger fee until we determine the actual staff expense.

Mr. Janes said Mr. Juergens made a good point that people in the Industry would like to see their fees go to fund a parking and loading zone area for the inspected and uninspected vessels. Could some of the funds be dedicated to leverage the money to get rid of some of the congestion?

Mr. Donek said he doesn't want anyone to get the impression that an increase in the passenger-for-hire fee money will be put into a dedicated fund. Any additional funds received would be used on different expenses that come up.

Mr. Simpson said we should be able to get some marine passenger fees for the loading zone area at Statter, and those funds sometime come with a need for matching funds. It is important to have a reserve for this purpose, but Docks & Harbors cannot dedicate an increase just for a loading zone project at Statter Harbor.

Mr. Juergens said Fisherman's Bend is going to have a per passenger fee for the passenger-for-hire patrons next year. There was no fee in the past. There may be more user groups come back to Statter Harbor next year.

Mr. Spickler asked if each six pack vessel just pays \$140.00 per year?

Mr. Juergens said yes.

Mr. Spickler said that is a bargain.

Mr. Juergens said there is a variety of six pack vessel users that impact the Harbor in different ways. It would probably still be fair to charge the same as the inspected vessels.

Mr. Murayama said \$140 a year is what he has been paying for a six pack vessel. He also said that is a bargain. His business impact to the facilities is very minimal. He is waiting to hear what the Committee is going to propose for a new fee schedule.

Mr. Juergens said currently it is easy to pay a flat fee and you're done for a six pack vessel, but reporting monthly for the inspected vessels is a pain.

Mr. Simpson said that was probably the rationale when this fee was implemented that these are small operators and they don't have an accounting department. The one time fee was easy and it didn't cost so much as to drive them out of business. He said he is looking at a modest

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annual fee and a daily per passenger fee for actual auditable usage. This number needs to be based on something approaching the expense fee.

Mr. Donek said comparing the \$140 to the \$90 launch ramp permit shows this fee should be adjusted.

Mr. Juergens said it is hard for the Harbor staff to identify who is a chartered vessel. A patron may be operating as a passenger-for-hire, but they don't know they need to register with the Harbor. Looking at the revenue for FY14 provided by staff, it looks like some of the six pack vessels may not be reporting.

Mr. Simpson said this could be an enforcement problem.

Mr. Watson suggested the US Coast Guard moorage be reported under the Statter Harbor revenue.

Mr. Donek recommended to wait on deciding on a fee increase until Mr. Borg or Mr. Unruh are able to attend a meeting and tell the Committee how they came up with the expense for staff.

Mr. Logan said he agreed to not just attach a number tonight, but to determine if the per passenger fee will be universal.

Mr. Simpson said the direction the Committee is going is to still have a passenger fee and have the uninspected and inspected passenger fee the same, but not decide on any numbers tonight.

Mr. Donek recommended the uninspected vessel fees come closer to the inspected vessel fees.

Mr. Janes recommended to start out slowly with a \$.25 increase, and to have the uninspected vessels report the same as the inspected vessels. He also recommended to have the CPI apply to these rates for a gradual increase annually.

Mr. Watson asked why the passenger-for-hire fees are not added to the downtown revenue?

Ms. Scovill said that will need to be added to the downtown revenue.

Mr. Simpson recommended to wait until the Committee receives more information before deciding on anything more tonight.

VI. Discussion Item

1. Auke Bay Loading Facility

- Fee for delivery and sale of fuel at (05CBJAC20.175)
 - 12/2009
 - Fee assessed on each gallon of fuel sold to a vessel using the Auke Bay Loading Facility for fueling a vessel.

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- A fee of \$0.05 per gallon of fuel will be assessed to all retailers selling fuel to a vessel at the Auke Bay Loading Facility.
- Auke Bay Loading Facility (05 CBJAC 45.050)
 - 10/2007
 - ABLF FAQ
 - Staging
 - Storage
 - Landing Craft Loading Ramp Use
 - Drive Down Use Fees
 - Crane use Fees

Mr. Simpson said this is a \$.05 fee assessed for fueling vessels.

Mr. Janes said he will need to know what the expenses are at this facility?

Mr. Donek recommended staff provide the Committee with the expenses and also to not raise the \$.05 per gallon when there is \$.05 per gallon fee at the Statter Harbor fuel dock.

Mr. Janes recommended to post the fees and rules so the public knows.

Mr. Spickler asked if this is on the honor system?

Ms. Scovill said yes.

Mr. Juergens said he would like to follow the rules at the Auke Bay Loading facility, but he doesn't know them. He has a key card to get through the gate, and use the crane, but he is unsure what he needs pays for.

Mr. Janes recommended to have a published fee schedule for the ABLF and definitions on what the fees apply to.

Mr. Spickler said there needs to be better enforcement and a system that everyone understands.

Mr. Juergens recommended to have a key card system that you swipe your card when you use an area and you get billed for that usage.

Mr. Simpson said this area is not generating a lot of revenue because this area is unmanned.

Mr. Spickler recommended to develop a system with the help of staff for users to be accountable for use at the ABLF.

Mr. Simpson asked Ms. Scovill to provide the tariff sheet for the per item fee for all of the ABLF for the next meeting.

Question: Is there a separate key card for the restrooms at Statter Harbor, and is there a fee?

VII. Adjournment - The meeting adjourned at 6:38 pm.