

CBJ DOCKS & HARBORS BOARD
FEE REVIEW COMMITTEE MEETING MINUTES
Thursday, November 13th, 2014

I. Call to Order

The meeting was called to order at 7:12 p.m. in Room 224.

II. Roll Call

The following members were present: Tom Donek, Robert Janes, Budd Simpson, Scott Spickler, and David Logan-via phone.

Also present were: Carl Uchtyl – Port Director, and Dave Borg – Harbormaster.

III. Approval of Agenda

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

The motion passed with unanimous consent.

IV. Public Participation on Non-Agenda Items

None.

V. Approval of September 18th and September 30th, 2014 Harbor Enterprise Fee Review Committee Minutes.

MOTION By MR. JANES TO APPROVE THE MINUTES AND ASK FOR UNANIMOUS CONTENT.

The motion passed with unanimous consent.

VI. Action Item

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

- 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, Statter Boat Harbor Launch Ramp, North Douglas, or Amalga.
 - 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

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- Calendar year permit; \$50.00 per vessel plus \$15.00 per passenger seat.

Mr. Simpson said I want a specific fee presented for the Board and the public to discuss.

Mr. Uchytel said as shown on the Statter Harbor Expenses – Summer 2014 spreadsheet presented, the breakdown of expenses per user group is \$76,752.51. We wanted to know if \$1.10 per passenger is a reasonable fee based on the Charter's revenues. So I included a breakdown of the charter rates per passenger. I used the price of fuel as example of how rates affect charter operators. The charter operators want predictability on rates, but there are going to be some unpredictable rates like diesel fuel.

Mr. Simpson said at the September 30th Fee Review Committee Meeting we estimated the expenses associated with charter operations to be \$125,000. It does not make sense to split the expense of the porta-potties in thirds as the other user groups do not use the porta-potties as much as the charter operators.

Mr. Janes said the difference between the new estimate and the September 30th estimate is staff expense. It does not make sense to split the garbage expense in thirds as the charter operators do not use the garbage as much as the other user groups.

Mr. Simpson said maybe it is a wash then.

Mr. Unruh said we would not have the porta-potty expense if it were not for the charter boat operators and the commercial fishing fleet. The yachts and the commercial fleet make up 80% of the garbage expense; the charter boats and the general public the remaining 20%. The expenses are probably evened out by being broken into thirds.

Committee Questions

Mr. Janes asked is the goal to match the Harbor Fees associated with the user groups with their expenses? Will each user group pay their share of the expenses?

Mr. Simpson said our goal is to attribute a fair portion of the expenses to the different user groups. At present we have a different system for the inspected and the uninspected vessels. We should equalize those fees. We can charge per passenger and a per vessel charge. I want to eliminate the 6-pack flat rate fee and go to a per passenger fee. We are looking at collecting the same rate per passenger.

Mr. Donek said the fees need to be distributed differently. The charter operators have busloads of people using the facilities. I do not think the commercial fishermen are using the facilities as much.

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Public Discussion

Kevin Burchfield of Juneau, AK said keep in mind there are operators who do not earn the revenues listed. Some operators use a broker and get a portion of the rates listed.

Mr. Janes said some of the inspected vessels use a broker too.

Mr. Burchfield responded they are able to take a lot more passengers to make up the difference quicker.

Mr. Janes said we should raise the rates slowly so they do not immediately affect the charter operator's fees. Charter operators have already priced for next year. It might take a few years before our prices are leveled out.

Louis Juergens of Juneau, AK said I would prefer six pack operators pay a one-time fee to avoid the monthly accounting necessary for the harbor monthly reports.

Mr. Simpson replied that would not be fair to the occasional users. A per passenger fee is fair.

Mr. Uchytel said we are trying to justify how we distribute these numbers and I don't think we have to.

Mr. Simpson said what it costs for the operators to run a business is irrelevant. We need to treat every passenger the same.

Committee Discussion/Action

Mr. Donek said moorage rates are adjusted with the Consumer Price Index (CPI) annually. I want to see that applied to all the Harbor Fees. The passenger-for-hire fees have not been adjusted for 8 years.

Mr. Simpson proposed the following fee structure:

Inspected Vessels:

2015 \$300 permit fee and \$1.25 passenger fee

2016 \$400 permit fee and \$1.50 passenger fee

Every year thereafter would increase according to the CPI

Uninspected Vessels:

2015 \$50 permit fee and \$1.00 passenger fee

2016 \$100 permit fee and \$1.25 passenger fee

2017 \$100 permit fee and passenger fee matches the Inspected Vessel rate for 2017

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Every year thereafter would increase according to the CPI

Mr. Donek asked can we charge a higher flat rate fee upfront so the uninspected vessels won't need to pay a per passenger fee?

Mr. Simpson said instead of keeping track of how many passengers they take out they can pay a flat rate of \$5.00 per trip.

Mr. Uchtyl was unsure of the Inspected Vessel Daily Use Fee for vessels without a Passenger-For-Hire Permit. The Inspected Vessel Daily Use Fee for vessels without a Passenger-For-Hire Permit is \$1.00 per certificated passenger seat.

Mr. Janes asked did you audit the Passenger-For-Hire companies?

Mr. Uchtyl said yes. We took a clicker and counted the number of passengers that went on the vessel and compared that number to the number reported on the Monthly Passenger for Hire Report provided by the company.

Mr. Unruh said I prefer making the "per passenger fee" the same. If you go through a broker your paperwork is already done and all you have to do is submit it to the Harbor Office.

Mr. Janes said after doing the calculations with the \$1.50 per passenger, it would not change the revenues too much. This is good for the six-pack users as it will help to ease them into the higher costs.

MOTION By MR. SIMPSON TO HAVE THE FOLLOWING FEE STRUCTURE DISCUSSED AT THE NEXT MEETING:

Inspected Vessels:

2015 \$300 permit fee and \$1.25 passenger fee

2016 \$400 permit fee and \$1.50 passenger fee

Every year thereafter would increase according to the CPI

Uninspected Vessels:

2015 \$50 permit fee and \$1.00 passenger fee

2016 \$100 permit fee and \$1.25 passenger fee

2017 \$100 permit fee and passenger fee matches the Inspected Vessel rate for 2017

Every year thereafter would increase according to the CPI

Motion passed with unanimous consent.

VII. Adjournment

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The meeting adjourned at 8:15 p.m.