

CBJ DOCKS & HARBORS BOARD
HARBOR FEE REVIEW COMMITTEE MEETING MINUTES
Wednesday, January 14th, 2015

I. Call to Order

The meeting was called to order at 12:00 p.m. in CBJ Room 224.

II. Roll Call

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

Also present were: Carl Uchytel – Port Director, Dave Borg – Harbormaster, and Mike Peterson - Board Member.

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. Approval of November 13th, 2014 Harbor Enterprise Fee Review Committee Minutes.

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

The motion passed with unanimous consent.

V. Public Participation on Non-Agenda Items - None

VI. Action Item – UNFINISHED BUSINESS

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

Mr. Simpson said the recommended fee structure for Passenger for Hire was approved at the last Harbor Fee Review meeting.

Committee Questions - None

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Public Discussion - None

Committee Discussion/Action

Mr. Donek asked if any Committee members or staff heard any feedback on what is being proposed?

No negative feedback was heard.

Mr. Janes asked if the CPI adjustment was going to be on the passenger for hire permit fee and passenger fee?

Mr. Simpson suggested to leave the permit fee fixed and apply the CPI to the passenger fee.

Mr. Spickler said he thought both would be increased with the CPI.

Mr. Janes recommended the CPI apply to both permit and passenger fees starting in 2018 from the 2017 base fees as follows;

Inspected vessels

2015 - \$300.00 permit / \$1.25 per passenger

2016 - \$400.00 permit / \$1.50 per passenger

2017 - \$500.00 permit / \$1.50 per passenger (this being the year the CPI is based off)

Uninspected vessels

2015 - \$50.00 permit / \$1.00 per passenger

2016 - \$100.00 permit / \$1.25 per passenger

2017 - \$150.00 permit / \$1.50 per passenger (this being the year the CPI is based off)

Mr. Janes recused himself from voting.

MOTION By MR. DONEK: TO RECOMMEND TO THE DOCKS & HARBORS BOARD THAT THE FOLLOWING FEES BE ADOPTED:

INSPECTED VESSELS:

2015 \$300 PERMIT FEE AND \$1.25 PASSENGER FEE;

2016 \$400 PERMIT FEE AND \$1.50 PASSENGER FEE; AND,

2017 \$500 PERMIT FEE AND \$1.50 PASSENGER FEE; AND EVERY YEAR THEREAFTER BOTH PERMIT FEES AND PASSENGER FEE WOULD INCREASE ACCORDING TO THE ANCHORAGE CPI.

UNINSPECTED VESSELS:

2015 \$50 PERMIT FEE AND \$1.00 PASSENGER FEE;

2016 \$100 PERMIT FEE AND \$1.25 PASSENGER FEE; AND

2017 \$150 PERMIT FEE AND \$1.50 PASSENGER FEE; AND EVERY YEAR THEREAFTER BOTH THE PERMIT FEE AND THE PASSENGER FEE WOULD INCREASE ACCORDING TO THE ANCHORAGE CPI AND ASK UNANIMOUS CONSENT,

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Motion passed with no objection.

VII. Action Item – NEW BUSINESS

- Fee for delivery and sale of fuel at ABLF (05 CBJAC 20.175)
 - 12/2009
 - Fee assessed on each gallon of fuel sold to a vessel using the Auke Bay Loading Facility for refueling a vessel.
 - 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. Borg said the Auke Bay Loading Facility has been used for several years, but over the past year there has been significant increase in use. Staff realized that there was no fees to cover several services offered. Harbor management decided on fees that were within reason for users, which are probably lower than the local entities that do the same type of work. However, Docks & Harbors does not allow any major work to be done to boats on the haul out, so boat owners needing work still have to use the local entities to do any major work. Staff recommended looking at;

- Storage rates - Docks & Harbors has the lowest rates in town and staff would like storage and other charges similar to the rest of the CBJ entities or private businesses. An example, if you are a stall holder, you're paying 25 cents a square foot up to 200 square feet. If you're not, we charge 50 cents a square foot. Staff tags and measures storage items on a regular basis.
- Commercial launch ramp permit - cost is the same for using all the launch ramps.
- Ramp use fees - \$30 for the first half hour is reasonable, however, the \$1.50/min beyond the first half hour is punitive in nature.
- The Freight staging fee - Staff does not charge anything for the first four hours, and \$25 per calendar day for greater than four hours for a thousand square feet. Mr. Borg said this is reasonable.
- Using the tie up area for Moorage has been an issue - Staff has recommended using this area, but boats have remained broken for longer than originally planned. Mr. Borg said he requires a scope of work before he approves any tie up. He said he has charged a reserve rate after a certain amount of time if they haven't met their deadline, only to try to speed up the process. When a boat is unable to move, it really hurts the rest of the users. For harbor management purposes, that's the route I went.
- Shore power - standard price.

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- Crane fees - standard price.
- Fuel dispensing - This is on an honor system. The Statter Harbor office contacts the fuel companies monthly and asks for the fuel usage.
- Hauling and launching fees - This is \$5/foot each way and we can lift up to 45 tons which are usually 50-60 foot boats.
- Staff labor fees - standard fee.
- Additional Fees - if staff maintains the loading facility, different fees will need to be discussed, deposits for cleaning, storage of hazardous materials and hazardous waste, and paint locker type storages.

Mr. Janes asked if Docks & Harbors rules and regulation for storage at the existing boat yard at Statter Harbor?

Mr. Borg said nothing that we manage. The boat yard at Statter Harbor is under a lease.

Committee Questions

Mr. Donek said that on page 10 notes down at the bottom say “ABLF Fuel Dock Lease is set at \$0.05 per gallon for 7 years.” Do you mean ABLF or do you mean Statter Harbor?

Mr. Borg said that’s the actual Auke Bay Loading Facility drive-down dock.

Mr. Donek asked what the reference to “lease” is?

Ms. Scovill said the “lease” is for Statter Harbor fuel dock. Each company that fuels at the ABLF is required to have a permit, and while there is no charge for the permit, they are required to pay \$0.05/gallon for fuel. Customers call ahead with the vessel name and then call back with how much fuel the vessel took. This is only for fueling the vessel and not anything with bunkering.

Mr. Spickler asked if the companies were calling in?

Ms. Scovill said yes.

Mr. Borg said the Statter Harbor Admin says they are really good about it. Sometimes she has to call and ask because we know who is showing up to fuel. We don’t require a fuel tickets.

Mr. Spicker asked Mr. Borg if he has recommendations or suggestions on what the ABLF fees should be?

Mr. Borg said the majority of fees are already in place throughout our harbor system. He doesn’t recommend raising them for the ABLF or making any real changes to things like the shore-power or similar fees. He recommends changing the ramp use fee. Charging \$30 for the first half hour and \$1.50 per min is too high. He would like to be careful deciding a rate because if this is lower we could find a lot more people suddenly want to use it. I think the freight staging fee is reasonable. I would

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like a \$250 refundable deposit be put down on vessels that are going to be hauled out that want minor work or even just get hauled out that are sitting there. Trash is often removed from their boat and left at our facility. Upon completion of putting it back in the water, make sure that the area they were residing in is cleaned, and picked up.

Mr. Simpson asked if this would be under the haul-out program?

Mr. Borg said that is correct. We do the power-washing, and we don't allow anybody else to do that.

Mr. Spickler asked if that was per employee or if it was just one guy doing the power-washing at a time?

Mr. Borg said there is just one guy power washing and it takes about an hour, sometimes two for bigger boats.

Mr. Spickler asked what the private industry would charge?

Mr. Borg said about the same.

Mr. Donek asked where the \$236.25 number came from for the Commercial Launch Ramp Permit?

Mr. Uchytel said that it was \$225.00 plus tax.

Mr. Janes asked why there is a different price for storage for stall holders and non-stall holders? His concern is that people are paying more for storage if they are hot-berthed and can't get a stall in a harbor that doesn't have enough stalls. He asked if there should be a discount for people who are hot-berthed all summer, or the same price for everybody.

Mr. Borg said there are storage fees for equipment, and storage fees for vessels. The storage fees for equipment storage is very inexpensive. Local businesses that allow storage in their yard charges \$200-\$300/month and Docks & Harbors charges 25 cents a square foot if you're a stall holder. This is for 200 square feet so it's not a really big footprint.

Mr. Janes asked why there is a discount for stall holders?

Mr. Uchytel said Docks & Harbors is trying to give benefit to harbor patrons. He said it makes sense to give harbor users a discount.

Mr. Simpson reiterated that some of these people would have a stall if they could get one, however, they could probably get a stall downtown if a stall is what it took.

Mr. Donek said this isn't just Statter Harbor stalls, but stalls in the Harbor system.

Mr. Borg said he is surprised how many commercial fishermen that use Statter or any of our harbors that aren't stall holders. They don't want one because they aren't here enough, and choose not to be stall holders.

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Mr. Donek said he would like to wait to take up boat yard fees until the conditional use permit is either approved or denied.

Mr. Simpson noted that the expenses on page 11 show almost \$19,000 including electricity, garbage, porta-potties, and water, but do not include expenses relating to the sea-lift or personnel costs. Page 10 shows the fee revenues from that facility which are almost \$26,000. On the surface, it looks like we are more than covering our basic expenses, except, that expense doesn't include labor. Can you give the Committee a sense of how much staff time there is and the extent we're recovering it? We started this fee review process with the idea that we were going to try to recover expenses and not just try to pick at the consumers, but we sort of need to know what those are.

Mr. Uchytel said last year at this time, he recommended to the Board to increase one seasonal harbor tech at both Auke Bay and downtown. The reason for Auke Bay was because of the effort that the Auke Bay Loading Facility was taking up.

Mr. Simpson asked if it was about one full time equivalent?

Mr. Borg said at a minimum, yes.

Mr. Simpson asked if it was more in the summer and less in the winter?

Mr. Borg said absolutely. When a 50 foot boat is pulled, it takes three people.

Mr. Simpson asked if they come over there from the other harbor?

Mr. Borg said yes, from Statter Harbor.

Mr. Donek asked roughly what the wage and benefits are for a harbor tech?

Mr. Uchytel said probably \$70,000 for a seasonal harbor tech.

Ms. Scovill said she would look.

Mr. Borg said another expense is boat stands. We spent almost \$10,000 in boat stands this year. When you haul somebody's boat you have to put it on a boat stand.

Mr. Simpson said that he sees on page 10 there's a line item for the haul out staff, vessel launch staff fee but there's nothing in it because this was from 2013. He wanted staff to get numbers for that line item. Adding dollars to this \$25,000 figure would probably give us a better sense of whether we're recovering this expense. Mr. Simpson asked if this was being charged separately on \$60/hour if we send staff out for a haul out, or is it a flat rate?

Mr. Uchytel asked Ms. Scovill if object code H100 was just started last year with the idea being that when they collect money for hauling somebody out they should enter it to that code? So it might be a training thing with the Statter Harbor person that it shows \$0 for last year, that they're coding it someplace else.

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Ms. Scovill confirmed this was a new line item and this report was pulled for July 1st, 2013 through June 30, 2014 and there were none up to that date.

Mr. Donek said that the committee would need data from FY15.

Mr. Peterson said looking on page 10, his attention was drawn to the crane fee. In 2012-2013 there were 167 invoices for \$2500 and then in the following year, quite a bit of increase in the invoices but the actual dollar amount decreased. On the per hour rate for the crane is \$15/hr , but no money brought in for an additional 30 minutes. Does this mean people are working the crane very hard in the first half hour to get the equipment or supplies on as fast as you can? Doesn't that translate into burnt out motors, or extra wear and tear on the lines?

Mr. Borg said his assumption is that the crane was left on running longer for 2012-2013. What we're getting now is folks have got the key fobs and they'll turn it on, run it, turn it off... turn it on, run it, turn it off. They won't let it run. They'll lower it down to the deck of the boat then they'll turn it off, do what they need to do, then they'll turn it back on. We've had to replace almost all the cables on every crane because of this and that's roughly \$250 each. There is also an annual inspection fee that we pay on these cranes. We don't make any money on cranes. But that's not just ABLF, that's all of our cranes.

Mr. Uchytel said he does not like the idea of on and off one minute at a time. The cold weather is not good for the hydraulics. Moving forward, he recommends a 10 or 15 minute minimum or something more beneficial to our equipment.

Mr. Donek said he would like to get back to the \$0.05/gallon for 7 years on page 10 regarding the Statter Harbor 35 year fuel dock lease. He asked if there is a renewal provision after 7 years?

Mr. Uchytel said Petro Marine agreed to pay \$0.05/gallon for seven years, and after seven years the adjustment would be based on the previous two years of CPI adjustments.

Mr. Donek said there should be some similarity between that and the fee we charge for the drive-downs at the ABLF.

Mr. Uchytel said at the Auke Bay Loading Facility all we're doing is providing access. Petro Marine is providing their own infrastructure.

Mr. Simpson said at the ABLF people couldn't drive their fuel trucks down if we didn't provide the float which is a critical piece of the infrastructure. They couldn't do it without that.

Mr. Janes asked if Docks & Harbors has a fee for the ABLF drive down other than fueling?

Mr. Borg said we do not.

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Mr. Janes said the drive down float is a very important part of that facility. If we did away with minutes of use on the crane and integrated it into a drive down float fee that would encompass everything, it might make it a lot easier, and we might find some revenue coming in on a facility that, when you're ready to drive down there and load a boat or something, it's worth money. I'm not sure why we don't have a fee for that.

Mr. Uchytel said we have a facility that is operated with a key fob. You could put another gate on the drive down and charge the use from the key fob.

Mr. Donek said the drive down cost is being covered by what else they're doing. If they're tied up they're paying moorage, they're paying a crane fee, or all these other things. They have to be doing something else for the need to drive down the float. Mr. Simpson said the moorage is not very expensive. Charging \$0.54 cents for a 50 foot boat is about \$30 a day.

Mr. Janes said he does see people that drive down and load a boat and don't use the crane. He wondered if we should be thinking about a practical way to get a fee for that use. It is done quite a bit, and it's a great deal. Managing that crane is a lot of overhead too and administrative overhead for a gate and crane are probably similar.

Public Questions

Mr. Peterson said one area where you might be able to consolidate a lot of extra charges would be the fob key, meaning you regulate the price of the fob. Access into that area with the key would then provide you with unlimited crane access, access to the dock, and all be reflected in the price of that fob. Rather than itemize everything and break it all down, just use a flat fee so if somebody has a key then they have access to the crane, and can take their pickup down.

Mr. Simpson said it seems like that would simplify the accounting and the staff time.

Mr. Louis Juergens said he uses the facility and would like to know the plan for non-commercial users? Do you want weekend warriors to go load deer and things like that? Do you want whale watching boats pulling life rafts off because it's the safest way to get a life raft off. He said he currently uses the crane minute by minute, but ten minutes sounds very reasonable rather than minute by minute. He said he didn't use the facility all last year because it was jammed up with users. He recommended a loading zone on one of the cranes, active loading and unloading only so that you could actually go in there and use it. He suggested to have a sticker instead of the fob key for the pass to get into the facility. It is possible to pass a fob key to a friend, but if he bought a launch sticker or a loading sticker to put on his truck, with a \$200 annual fee to use that facility. The crane rate for ten minutes could be \$20 each time. That might provide smaller continual income for the facility.

Committee Discussion/Action

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Mr. Spickler said he would like Dave and staff to explore the idea of some sort of a flat fee for the crane use, so many minutes per time. Give Dave the direction that we're trying to break even and eliminate abuse of people using the facilities without paying for it, and look at those recommendations just from a common sense point of view. What would work and what would satisfy the need of the public to use the facility. Do we have video monitoring of that facility?

Mr. Borg said yes we do.

Mr. Spickler asked if it is helpful at all?

Mr. Borg said it's about as helpful as video monitoring can be.

Mr. Donek said that the way the cranes are being used right now is run time, and it needs to be loading time. In other words, you pay for time you're in the loading zone. We need to look at having it set up so if you park your boat next to the crane, you're paying for the crane all the time you're sitting there, not just the run time on the crane.

Mr. Janes said he suggested to have staff look at this holistically and there might be a better way than everything is itemized now. He said there is room for change but he doesn't feel he has enough information.

Mr. Simpson said this is essentially a work session and we're just trying to get information and trying to come up with a solution, but I think what I'm hearing is that it would be helpful to have staff come back with written recommendations for these fees based on all the testimony, questions, and comments that you've heard today plus your own experience. I think the theme is that we would like to simplify things, we would like to encourage the proper use of the facility and discourage people who are abusing it one way or another. We are going to stay away from doing anything about boat yard type usages at this point. We need to see figures, at least year to date, for the launch fees that weren't included in this so we can try to get a better sense of the revenues there, so I would schedule that for the next session of this committee.

The committee discussed meeting twice a month for Harbor Fee Reviews, and scheduled the next meeting for 12:00 p.m. on Wednesday, January 28, 2015.

MOTION- None

VIII. Adjournment

The meeting adjourned at 1:12 p.m.