

CBJ Docks and Harbors Board
SPECIAL BOARD MEETING MINUTES
For Saturday, March 7th, 2015

I. Call to Order.

Mr. Logan called the Special Board Meeting to order at 1:20 p.m. at the Port Customs Building.

II. Roll Call.

The following members were present: Greg Busch, Tom Donek, Robert Janes, Michael Peterson, David Summers, Budd Simpson, and David Logan.

Absent: John Bush and Scott Spickler

Also present were the following: Carl Uchtyl – Port Director, Gary Gillette – Port Engineer, and Dave Borg - Harbormaster

III. Approval of Agenda.

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

Motion was approved with no objection.

IV. Public Participation on Non-Agenda Items - None

V. Items for Action

1. New Cruise Ship Berth Funding and Bond Requirements

Mr. Uchtyl said the total funding needed for this project is \$94M. Mr. Bartholomew, the CBJ Finance Director, is tasked with how to fund this project over 25 years. Since 2009, the Assembly has dedicated CBJ Port Development Fee, CBJ Marine Passenger Fee, and the State Marine Passenger Fee totaling \$57,853,000. Mr. Uchtyl said Mr. Bartholomew has received bond authorization for \$29M. Subtracting the expenditures from the revenues, there is still a budget short fall of \$6,685,000. The question is where to make up the shortfall? Mr. Bartholomew has two options for the Board to choose from;

1. Use the Port Development Fee in 2015 (\$2.3M), a portion of the State Marine Passenger fees for FY17 (\$2.8M), and use \$1.6M from Docks fund balance.
2. Use the Port Development Fee in 2015 (\$2.3M), a portion of the State Marine Passenger fees for FY17 (\$4.4M), and zero from the Dock fund balance.

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SPECIAL BOARD MEETING MINUTES
For Saturday, March 7th, 2015

Mr. Uchytel said Mr. Bartholomew would go to the Assembly to request the Port Development Fee for FY15 and the State Marine Passenger Fees for FY17. The Assembly has committed the State Marine Passenger Fees through 2016 only. With the project falling under budget in the parts of the project already completed, Docks & Harbors will not need to ask to sell more bonds. The question for the Board, "Do you want to use the \$1.6M from the Docks fund balance"?

Board Questions-

Mr. Busch asked if there was any reason the Board wouldn't want to ask for full funding with the State Marine Passenger Fees?

Mr. Uchytel said he doesn't know why Docks & Harbors doesn't ask for it every year until it is paid off. The previous Assembly only committed to 2016 for the State Marine Passenger Fees with the idea that the bond would be paid down with the Port Development fee \$3 local head tax.

Mr. Donek asked what happens to the difference if we do commit \$1.6M of the Docks fund?

Mr. Uchytel said the Assembly would be able to spend it on other projects that would qualify for the use of these funds.

Mr. Janes asked if Docks funds would be able to be used on the Commercial dock at Statter Harbor?

Mr. Logan said the Board will not know that today. Mr. Uchytel will look into that.

Mr. Peterson asked how much each year the Docks fund is being replenished.

Mr. Uchytel said between \$400,000 and \$500,000 annually for the Docks.

Mr. Logan said there is a danger for letting the Docks fund grow too large. CBJ may want to use some, and Industry could look at the Docks fund balance and decide their fees are too high.

Public Comment – None

Board Discussion/Action

Mr. Summers said he doesn't want to use Dock funds.

Mr. Logan agreed not to use the Dock funds.

CBJ Docks and Harbors Board
SPECIAL BOARD MEETING MINUTES
For Saturday, March 7th, 2015

Mr. Donek did not want to use the Dock funds.

Mr. Busch did not want to use the Dock funds

Mr. Peterson suggested to use some of the Docks funds.

***MOTION By MR. BUSCH: TO COMMIT ZERO DOLLARS FROM THE DOCKS
FUND BALANCE TO CONTRIBUTE TO THE BOND FUND RESERVE
NECESSARY FOR FINANCING THE NEW CRUISE SHIP BERTH PROJECT
AND ASK UNANIMOUS CONSENT***

Mr. Peterson objected

Motion passed 6 yes, 1 no.

VI. Adjournment

The regular Board Meeting adjourned at 1:35 p.m.