

**CBJ DOCKS & HARBORS BOARD**  
**FINANCE MEETING MINUTES**  
**For Wednesday, May 20th, 2015**

**I. Call to Order** Mr. Spickler the Finance committee meeting was called to order at 5:00pm in City Hall Conference Room 224.

**II. Roll Call** The following members were present: Tom Donek, Dave Logan, Mike Peterson, and Scott Spickler

Absent – Greg Busch

Also present: Carl Uchtyl – Port Director; and David Borg – Harbormaster

**III. Approval of Agenda**

**MOTION BY MR. LOGAN: TO APPROVE THE AGENDA AS PRESENTED AND ASKED UNANIMOUS CONSENT.**

Motion passed with no objections

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

**V. Approval of April 23<sup>rd</sup>, 2015 Finance Committee Meeting Minutes.**

**MOTION BY MR. LOGAN: TO APPROVE THE APRIL 23<sup>rd</sup>, 2015 MEETING MINUTES WITH NOTED CORRECTIONS AND ASKED UNANIMOUS CONSENT.**

Motion passed with no objections

**VI. Consent Agenda - none**

**VII. Unfinished Business -**

1. Small Boat Harbor Fees & Small Boat Harbor & Port Facilities Use Regulation

Mr. Uchtyl said the \$15 per lineal foot each way in 05 CBJAC 20.230 is excessive to the Harbor needs. The Harbormaster recommends to change this to \$10 per lineal foot each way.

Mr. Borg said the \$10 per lineal foot each way will get Docks & Harbors back in line with Industry standards. This would be about \$2.00 per foot more than anyone else, making it so we are not competing but providing a service.

Board Questions –

Mr. Peterson asked if in “05 CBJAC 20.110(b) The Harbormaster will require a person using the crane to post a bond or other guaranty before using a crane when the Harbormaster believes such security is necessary”, has this ever been used?

Mr. Borg said not since he has been Harbormaster.

Mr. Uchtyl said this is existing language.

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Mr. Peterson asked if this is required, how do you determine how much is necessary?

Mr. Borg said it would be based on past use. If someone didn't pay for using the crane last season, they would need to pay before they can use it again. If people continue to do that, staff could ask for \$100 upfront before they are able to use the crane.

Mr. Donek asked if this would apply to someone moving hazardous material?

Mr. Borg said he hasn't had that situation.

Public Comment - None

Board Discussion/Action

**MOTION By MR. LOGAN: TO ACCEPT THE CHANGES AS NOTED AND MOVE TO THE FULL BOARD FOR APPROVAL AND ASK UNANIMOUS CONSENT.**

Motion passed with no objection.

## **VIII. New Business**

### **1. Douglas Harbor Design Fees**

Mr. Gillette said Docks & Harbors is moving forward with the old Douglas Harbor replacement project which has been broken into three phases. The first phase is demolition, and Trucano Construction is the selected contractor. Trucano Construction will start mid August after the Salmon Derby. The Corps of Engineers is preparing the bid documents for the dredging project which will go from mid October until March 1<sup>st</sup>. After the dredging, Docks & Harbors will have our contractor go in and replace the floats. In the packet is the fee proposal from PND Engineers to do the design, and contract bid documents to get us through the bidding phase for phase III piece of the project. Since the original design, that is now eight years old, there has been some change in the way the Harbor is used and essentially the floats are being put back in kind with adjustments based on use patterns. Also included is a cost budget estimate by PND which shows a project budget of \$6.2M, and currently Docks & Harbors has \$5.3M for this project. We are \$900,000 under what we need. We have a little time and can look at ways to get more money. We could take money out of the Harbors fund balance, or we could put the approach ramp in as a bid alternate which would be approximately \$500,000 savings. If we found the money, we could add it in, and if we didn't then we could leave it out. This doesn't need to be decided tonight to move forward. Looking at the fee proposal, it seems in line with what was spent on other projects. There are some savings in this fee proposal that has been gained by work that has already been done. The design has been completely changed and costs have increased in the last eight years.

Board Questions

Mr. Peterson said he looked back to the 2006 fee proposal and the award was for \$325,000, now it is \$308,000 with a difference of \$16,000 less. He also noted other

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differences in prices from the 2006 to the 2015 fee proposal and wanted to know why the differences. He is wanting to know to see if there could be some cost savings in these areas to make up the \$900,000 difference.

Mr. Somerville said there is a little bit of savings, but this is a complete redo design. He said they could only reuse a small portion from the water and electrical design. He said in the first design glue lams were used because that was what was used in Harris, since then, new poly tubs are being used because that is what is being used in Aurora.

Mr. Peterson asked why the permits need to be redone.

Mr. Somerville said with the new float layout, PND needs to go back to the agencies and reissue some drawings notifying them there is a modification in the layout. Also, there have been some buildings added and they will need to go through the building permit. The demolition is different with different specifications that describe the work.

Mr. Spickler asked if Mr. Gillette had other ideas of coming up with the \$900,000 shortfall.

Mr. Gillette said possibly scoping back the project. One would be to eliminate the second transfer bridge and gang ramp which would save \$500,000. The other source is the Harbor fund balance.

Mr. Spickler asked if the last bid estimates by PND were on target?

Mr. Gillette said generally pretty good. Statter Harbor was a little higher, the Cruise Berth project was a little less than the estimate, and Aurora is a lot less.

Public Comment - None

Board Discussion/Action

**MOTION BY MR. LOGAN: TO ACCEPT THE DESIGN FEE PROPOSAL AS PRESENTED AND FORWARD ON TO THE REGULAR BOARD WITH RECOMMENDATION FOR APPROVAL AND ASK FOR UNANIMOUS CONSENT.**

Motion passed with no objection

#### **2. Cultural Presentation Lease Review**

Mr. Uchytel said Mr. McHugh Pierre who is the Vice President of Alaska Operation is here tonight representing Goldbelt. This lease includes uplands and tidelands and has been in place since 1998. In 2013 this was appraised by Horan & Company basing the rent calculation on 10% of the value. The new appraisal doubled the lease rent. Because of past negotiations changing the percentage used to calculate the rent, Goldbelt did not agree to 10% of the value. Goldbelt is requesting 9% of the appraised value determined from Horan & Company, a review every five years instead of three which is in ordinance, and returning a unusable piece of uplands that Docks & Harbors could use for our own parking.

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Board Questions - None

Public Comment –

Mr. Pierre said he wants to get the lease current and be a strong partner with CBJ. He said Goldbelt is looking at utilizing their property better and the piece they want to return is not an area they can use. He is also looking at possibilities to extend the dock to meet the needs of the traffic coming to Juneau.

Mr. Logan asked if there was access to Parcel A that Goldbelt wanted to return?

Mr. Pierre said Goldbelt wants to build some type of a parking garage structure and showed where on a map.

Mr. Peterson asked when the next fee review would be?

Mr. Pierre said 2018. He said Goldbelt will pay back the amount owed immediately and thanked the Committee for their cooperation and patience.

Board Discussion/Action

Mr. Peterson said he agreed with returning Parcel A and changing the review period to every five years.

Mr. Pierre said the five year extension is to allow the business' that work with Goldbelt time to adjust their costs to work through that number.

**MOTION BY MR. LOGAN: TO ACCEPT THE RECOMMENDATION FROM THE PORT DIRECTOR THAT GOLDBELT HAVE A 9% RENT CALCULATION BASED ON THE APPRAISED VALUE OF \$713,100 OF THE PROPERTY. THIS WOULD RESULT IN A NEW ANNUAL LEASE PAYMENT OF \$64,179. THE AGREEMENT WILL BE RETROACTIVE WITH THE AMOUNT OF \$67,149.91 FROM JUNE 1<sup>ST</sup>, 2013 THROUGH MAY 31<sup>ST</sup>, 2015. THE LEASE WILL NOW BE REVIEWED EVERY 5 YEARS WITH THE NEXT REVIEW JUNE 1<sup>ST</sup>, 2018. ALSO ALLOW GOLDBELT TO RETURN PARCEL A AS NOTED ON THE ATTACHMENT WHICH IS EXHIBIT C AND WILL RESULT IN A REDUCTION OF \$7,851.69 . THIS WILL BE FORWARDED ONTO THE FULL BOARD FOR APPROVAL WITH A RECOMMENDATION FOR APPROVAL AND ASKED FOR UNANIMOUS CONSENT.**

**MR. PETERSON ASKED WHEN WOULD PARCEL A BE TAKEN OFF THEIR LEASE?**

**MR. UCHYTIL SAID THIS WOULD NEED TO BE APPROVED BY THE ASSEMBLY.**

Motion passed with no objection

**IX. Items for Information/Discussion**

1. Thane Ore House Lease – Next Steps

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Mr. Uchytel said this Request For Proposal (RFP) document will allow interested bidders to come forward to compete to lease this property. He said the lessee will be chosen based on a set of criteria that a panel will select. The Proposer who has an idea, a business plan, qualifications to carry out the plan, and record of performance will be given points. A Juneau proposer will be given more points for being local. He said this is a work in progress and asked the Committee to review this and make suggestions.

Mr. Logan suggested that the Committee know what a proposer's financial backing is.

Mr. Donek agreed that a Proposer needs to show they have financial backing to do what their proposal is.

Mr. Peterson asked if someone pays their lease in full for 10 years, would they be given more points?

Mr. Uchytel said the intention is if someone is willing to pay more, they would be given more points.

Mr. Peterson suggested to supply past information to make sure they don't have bad debt.

Mr. Logan suggested to run a credit report on any proposers.

Mr. Donek asked if it was necessary to provide parking for Anglers?

Mr. Uchytel said he had people request that.

Mr. Donek suggested to mark an area for six parking spaces and let the new lessee know if he wants the land he needs to maintain this parking area for Anglers.

#### **X. Staff & Member Reports - None**

#### **XI. Committee Administrative Matters**

1. Next Finance Committee Meeting- Thursday, June 18th, 2015.

#### **XII. Adjournment - The Finance Committee meeting adjourned at 6:05 pm**