



**DOCKS & HARBORS BOARD
DOCKS FEE REVIEW COMMITTEE
MEETING MINUTES**

October 21st, 2015, 4:30 PM
City Hall Conference Room 224

I. Call to Order The Docks Fee Review Committee Meeting was called to order at 4:32 pm

II. Roll Call The following members were present: Tom Donek, Tom Zaruba, and Mike Peterson.

Also in attendance: Carl Uchtyl – Port Director, and Dave Borg – Harbormaster.

Absent: David Summers and John Bush.

III. Approval of Agenda

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

Motion passed with no objections.

IV. Approval of April 23rd, 2015 Docks Fee Review Committee Minutes

Hearing no objection, the April 23rd, 2015 minutes were approved.

V. Public Participation on Non-Agenda Items - None

VI. Unfinished Business - None

VII. New Business - None

VIII. Items for Discussion & Coordination

1. Review of previous Docks Fee Review Process & Activity

Mr. Uchtyl said the fees that have been previously discussed are struck out. The next fee to review is the loading zone permits that will be discussed below. This process is not necessarily to raise rates but make sure they are fair and reasonable to all.

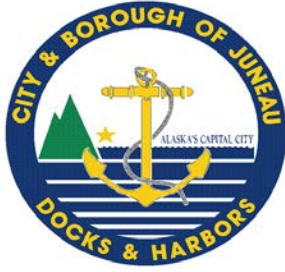
Mr. Zaruba asked if the Port Dues/Port Maintenance Fee's were to be used on the Cruise Ship Docks maintenance.

Mr. Uchtyl said yes.

Mr. Zaruba asked if those fees were kept separate?

Mr. Uchtyl said no.

Mr. Zaruba asked how the fees were accounted for?



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Mr. Uchytel said the fees are bundled.

Mr. Zaruba said if these fees are designated, don't they have to be kept separate and separate accounting?

Mr. Uchytel said that accounting tool has not been used. One way to look at this is to provide maintenance, and improvements. Maintenance includes all personnel costs associated with this fee.

Mr. Zaruba said it still needs to be accounted for and tracked. He suggested to talk to CBJ Finance to see if a separate account should be set up.

Mr. Peterson asked Mr. Uchytel what would be involved with setting up a separate account?

Mr. Uchytel said he would need to send out a request for legal services to CBJ Law to ask for a determination on how Port Dues are relative to Port Maintenance Fees and if they are one in the same.

Mr. Peterson asked Mr. Uchytel to provide Mr. Zaruba with that information after he receives it.

Mr. Uchytel said he would.

Mr. Peterson suggested to follow the layout in the packet for future meeting fee reviews except not do a review on the Marine Passenger Fee and the Port Development Fee.

Mr. Zaruba asked if Docks & Harbors knows what the two private docks, Franklin and AJ Docks, charge for the cruise ships to tie up?

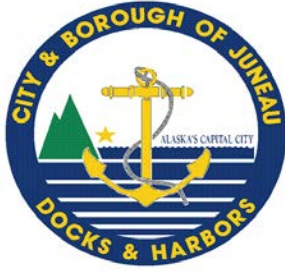
Mr. Peterson said no.

Mr. Zaruba said Docks & Harbors needs to know. The reason to know is if our rates are more, every chance a cruise ship gets it will be on the other dock.

Mr. Peterson said that question, what the other docks charge, has been brought up in the past and it has never been a big issue for the need to find out.

Mr. Zaruba asked if anyone has ever asked the private docks for their rates?

Mr. Peterson said not in a formal way.



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Mr. Uchtyl said Mr. Green, who was at the meeting, could answer how open the private docks will be with sharing their rates.

Mr. Green said the private dock rates are more, but it wasn't always that way. He said the Port Dues, which was basically a tonnage tax, was originally set up to pay off the bond. After the bond was paid off, it turned into the Port Maintenance Fee, and the accounting for this single fee was separated at one time by direction from a Committee. After the bond was paid off the Committee was dissolved. The Port Maintenance fee still remain, but are not separated. Mr. Green said the private docks fees are negotiated by the cruise line and are proprietary. He said years ago Mayor Bothello wanted to find out the private dock rates and was unable to find out. The private docks fees do vary and in most cases the fees are more than CBJ because Industry paid for and paid off the private docks. When CBJ's new docks were being considered, the tonnage tax was looked at again. There was talk about changing the Port Maintenance fee back to the Port dues to pay for the new docks, but the rate was very high. When the State head tax began, Industry encouraged Docks & Harbors Board to pursue State head tax to pay for the new docks so there was no need for increases to the port lineal foot fee dockage fee and port maintenance fee. Every year Mr. Uchtyl will ask for head tax to pay for operations instead of increasing the Harbors fees. The head tax collected is managed by the CBJ manager. Industry will ask Docks and Harbors, because they are an enterprise fund, to ask for some of the head tax collected annually to help pay for operations. If at some point CBJ won't give the requested funds to Docks & Harbors, Industry would need to lobby CBJ to include the Port Dues back into the cost sharing. Industry knows it is really expensive to come to Juneau. Mayor Bothello wanted to know what the private dock rates were because they wanted to meet Industry market rate. Mr. Green said Industry said the market rate doesn't apply because the docks were paid off by CBJ. The private docks don't like this because if they are charging more than you it is less competitive for them to attract a customer.

Mr. Zaruba said the disadvantage to Docks & Harbors is that the private dock owners know what we are charging but we don't know what they are charging. He said we need to be competitive with the private docks.

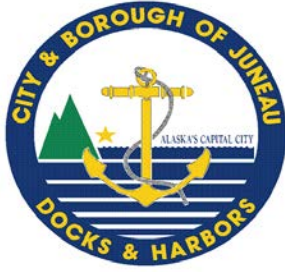
Mr. Peterson asked the Committee if the order in the packet for the fee review was acceptable?

The Committee agreed.

2. Loading Permit Fees (05 CBJAC 15.080)

Mr. Peterson asked if any of the Committee members wanted to look into Mr. Logan's suggestion from the last meeting?

Mr. Zaruba asked what that suggestion was?



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Mr. Peterson said currently it is a one time \$300 company fee and \$7 per seat fee. Mr. Peterson said at the last meeting, Mr. Logan suggested to charge \$250 for the first five vehicles, and \$325 for six vehicles or more, along with the \$7 seat fee, and Mr. Busch thought the rate per seat fee might be the way to move forward. He liked Mr. Busch's suggestion and would like to discuss further. He provided a hand out that showed the downtown loading zone use per company. He said he has been working with staff on a way to make this equitable for all the companies so one company isn't paying \$300 for three vehicle and another company paying \$300 for 70 busses. He directed staff to remove the company fee and to make a chart with the company use by using different rates for a per seat fee and keep the revenue close to what was collected last year. Mr. Peterson said at \$8.25 per seat, it showed the companies that would be paying more and the companies that would pay less. This would mean the larger companies would be a little more and the smaller companies would pay less but this would all be a level playing field. This information is provided for review and come back to the next meeting prepared for discussion and action. At \$8.25 there is still a gap between the expense and revenue, but this just gets everything on a level playing field.

Mr. Zaruba asked what this would do to the expense side?

Mr. Peterson said the expenses stay the same. The expense and revenue are about the same.

Mr. Zaruba said that will be a zero issue.

Mr. Peterson said the other loading zone fees are at Statter Harbor. Currently the company fee is \$300 and the seat fee is \$15 per seat. With eliminating the company fee and just having a seat fee, and trying to stay close to the revenue generated last year, the seat fee will be \$18.50 per seat. This will also work like downtown where the larger companies will pay more and the smaller companies will pay less.

Mr. Zaruba asked why Statter Harbor loading zone fees are so much more expensive?

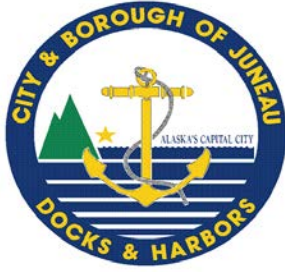
Mr. Peterson said part of the reasoning would be that it is a smaller space and the higher fees were used to discourage use.

Mr. Zaruba asked if there was any way to change the fee structures so they are the same?

Mr. Peterson said when Statter Harbor phase III comes online, it will relieve the pressure at Statter Harbor and that would be an opportunity to talk about a reduction in those fees.

Mr. Zaruba asked if this would be all discussed at a later meeting?

Mr. Peterson said yes, he provided this for information only.



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3. Electricity Fees (05 CBJAC 15.090) – Not discussed
4. Other Fees (05 CBJAC 15.095) – Not discussed

IX. Next Docks Fee Review Meeting –

Mr. Peterson said he is resigning and October 29th will be his last Board meeting.

The next meeting will be November 12th following the Finance Meeting.

Mr. Zaruba said he wanted a seat fee that would come close to the amount of revenue collected for both downtown and Statter Harbor.

X. Adjournment – The meeting adjourned at 5:02 pm.