

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday January 27th, 2016

- I. Call To Order – Budd Simpson called the meeting to order at 12:01 p.m. in CBJ room 224.
- II. Roll Call – The following members were present: Tom Donek, David Lowell, Robert Mosher, Bob Janes, and Budd Simpson.

Also present were the following: Carl Uchytel – Port Director, Dave Borg – Harbormaster, and Dolly Raster- Administrative Assistant III.

- III. Approval of Agenda.

Mr. Uchytel asked to add setting a date for the next OPS/Planning Meeting under setting the date for the next Harbor Fee Review Meeting.

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

Motion Passed With No Objection

- IV. Approval of January 6th, 2016 Harbor Fee Review Committee minutes. Hearing no objection, the January 6th, 2016 Harbor Fee Review minutes were approved as presented.

- V. Public Participation on Non-Agenda Items – None

- VI. Unfinished Business -

- 1. Daily Moorage fee (05 CBJAC 20.030)

Downtown Monthly Moorage Fees (05 CBJAC 20.040)

Auke Bay Monthly Moorage Fees (05 CBJAC 20.041)

Monthly Pre-Paid Discounts (05 CBJAC 20.042)

Mr. Uchytel said staff was tasked with bringing an expense and revenue overview of where Docks & Harbors is as an organization. A spreadsheet was put together based on numbers from the Finance Director. Mr. Uchytel went over the spreadsheet.

Committee Questions

Mr. Simpson asked if the lease revenue should be included in the Harbor funds?

Mr. Uchytel said the lease revenues are in the harbors funds because Docks & Harbors struggles with meeting the expenses in the harbors.

Mr. Lowell asked if the Tram was on Docks property?

Mr. Uchytel said Docks & Harbors managed property.

Mr. Simpson said the harbors profit is coming from the lease revenue. Without this revenue there is nothing left to add to the harbor fund balance.

Mr. Janes said the harbor fees are balanced with the expenses and the lease revenue is supporting capital improvements.

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday January 27th, 2016

Mr. Simpson asked what the other revenues are besides the moorage revenue?

Mr. Uchytel said launch ramp permits, passenger for hire, Statter Harbor bus permits and parking, electricity, and live-aboard fees.

Mr. Janes asked if there was foreseen changes in the coming years with the state shared revenues.

Mr. Uchytel said it is based on how successful the fishermen are and what type of fish it is.

Mr. Donek said the IVF is not included on the regulation.

Mr. Simpson suggested to add the new lightering float and the IVF as future business for determining fees.

Mr. Uchytel recommended no change to all the fees that are CPI adjusted. He asked if the Committee thought the 5% discount was a large enough discount incentive to pay for a full year in advance? Mr. Uchytel said looking at the Daily rate, it is very high and becomes punitive for the people that can't afford to be on a monthly rate. After seven days of paying daily's, you are already at the monthly rate.

Mr. Donek asked if this applies to transients.

Mr. Uchytel said there are a lot of patrons that don't have a credit card and can't keep up with the monthly rates.

Ms. Raster said she has been working with customers who start to fall behind so there are less customers that go to the daily rate.

Mr. Donek said looking at the revenue for downtown, it appears to be down quite a bit from last year.

Ms. Raster said there was 100 less stalls during the Aurora Harbor construction.

Mr. Borg said we won't have as many stalls in Douglas Harbor this year due to the construction, so the revenue will probably be consistent with FY15.

Mr. Donek stated that the Statter Harbor daily fee revenue is over double what it is downtown, and those are all transient boats.

Ms. Raster said the majority of those boaters come for days at a time and to break even they need to stay at least 14 or more days. Downtown there is more interaction with the customer. The customer will come in and they can be assigned a stall and staff educates them whereas if they are going to be there any more than a week to pay for a monthly rate.

Mr. Lowell asked if there are monthly stalls at Statter Harbor?

Mr. Borg said the whale watching boaters will pay monthly rates and just find a spot to tie up each night.

Ms. Raster said there is quite a few boaters that will pay the monthly rate for all summer and just fit in wherever they can.

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday January 27th, 2016

Mr. Simpson said even though a customer is unassigned, they can still pay the monthly rate.

Mr. Donek asked if the unassigned customer pays the same as someone with an assigned stall?

Ms. Raster said yes.

Mr. Donek stated that the monthly rate is still cheaper than the daily rate.

Ms. Raster said if a customer is going to be staying for 14 or more days staff will encourage the monthly rate.

Mr. Simpson suggested to go to \$.45 per foot for daily rate and leave the 2015 monthly rate as is at \$4.25 for downtown. At Statter, leave the daily rate at \$.55 per foot and the 2015 monthly rate as is at \$7.15. For both downtown and Statter Harbor he suggested the annual discount go to 10% for the advance annual payment. The reasoning for this suggestion is to provide a little bit of a break and a benefit to local people who are buying their moorage annually, to provide a little bit of an incentive for transient customer downtown, and the overall pricing structure to not look like everything is always going up.

Mr. Donek said the moorage rates have been adjusted by CPI for years and other rates have not been raised for 10 years. His concern with the monthly moorage rates at Statter is the rates are increasing faster than the downtown monthly moorage rates. He suggested raising the Statter rate by the same amount as downtown is raised. His other suggestion was to not raise the moorage rates by the CPI for one year.

Mr. Simpson said in his previous suggestion, he also would recommend to suspend the CPI increase for one year.

Mr. Janes said with the future unstable economy, he recommended to leave the moorage rates regulation as is and have the rates raised by the CPI. The Committee can revisit this next year if there is a large economic crunch at that time. He doesn't want to change what is currently working.

Mr. Lowell asked why the significant difference in rates from downtown to Statter.

Mr. Simpson said because the Statter Harbor facility is more in demand.

Mr. Donek said another reason for the higher rates is when CBJ purchased DeHart's, the rates were higher than downtown.

Mr. Simpson asked what Fisherman's bend charges?

Ms. Raster said Fisherman's bend and Tee Harbor rates are a little more than Statter Harbor rates.

Mr. Mosher said he likes the idea to give people a break and doesn't like the idea of rates just going up every year. He asked Mr. Borg if he thought there was a better way to decide on a good rate for downtown and Statter Harbor.

Mr. Borg said he looks at it with the idea that it is not getting cheaper to maintain the Harbors. If we drop rates now, two years from now we may

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday January 27th, 2016

be saying we have to raise the rates to catch up. He recommends leaving the moorage rates as is. The daily rate starts automatically when someone doesn't pay their monthly bill on time. It does seem punitive, but this also gets the customers to know they need to pay their bill on time.

Ms. Raster said the customers that do go to daily's are not blind sided, staff is trained to tag boats and call people so there is documentation that staff tried everything to get them caught up. They are not penalized if they were late for two or three days they were out of town. Staff will work with customers to keep them monthly on a regular basis.

Mr. Janes asked how many of the live-aboards pay their annual or monthly moorage in advance?

Ms. Raster said out of around 150 live-aboards, about 30 pay annually and the remaining pay monthly.

Mr. Uchytel asked Ms. Raster if there would be a reason to incentivize paying the annual moorage in advance?

Ms. Raster said yes. With the 700 stalls there is a lot of interaction administratively. If these stalls were prepaid annually it would decrease the amount of paperwork and time staff spends on each customer. She said she is aware everyone can't afford to pay the annual amount up front, but even for the customer who can, 5% is not a big enough savings to do that.

Mr. Uchytel asked Ms. Raster if someone moves or sells their boat and has paid for the whole year in advance, is that customer reimbursed or compensated?

Ms. Raster said yes because she doesn't want to penalize customers for paying in advance.

Mr. Janes said he would still like to keep the moorage rates adjusted by the CPI this year and relook at the rates next year.

Ms. Raster suggested to add a discount for customer who pay six months in advance.

Mr. Simpson suggested to have a 5% discount for prepaying six months and a 10% discount for prepaying 12 months.

Mr. Mosher suggested to not raise the moorage rates this year by the CPI.

Public Discussion

Paul Swanson, Juneau Alaska

He said he doesn't expect the rates at Statter Harbor to be as low as the rates at downtown. It does bother him that Statter Harbor and the downtown harbors are getting the same services. He said the first thing CBJ did when they bought DeHarts was raise the rates, and the customers were still on the old docks. He said another complaint is he pays his annual moorage and only uses it for six months. He takes his boat out and the harbor puts another boat in that slip and charges another customer the same rate he already paid. This is double dipping and it bothers him. He

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday January 27th, 2016

agrees he should have to pay something to have a slip reserved for him, but not the full amount. When the rates are adjusted by CPI, Statter is raised more than downtown. The \$7.15 is exorbitant especially compared to the downtown rate of \$4.25 with the skiff and the daily rates staying the same at both Harbors.

Committee Discussion/Action

Mr. Uchytel said there are showers and restrooms at Statter Harbor whereas one could make the argument that there are more amenities.

Mr. Donek asked what would need to happen for the Board to be able to raise the downtown and Statter rates at the downtown CPI increase amount?

Mr. Uchytel said the regulation would need to be changed.

MOTION By MR JANES: RECOMMEND TO LEAVE THE RATES AS IS WITH THE EXCEPTION OF A 10% DISCOUNT ON PREPAYING ANNUAL MOORAGE AND CONTINUE WITH THE CPI INCREASE THIS YEAR AND ADDRESS THIS POLICY OVER THE NEXT SEVERAL MONTHS AS A BOARD IN ORDER TO MAKE DECISIONS ON HOW WE WANT TO REACT TO CHANGES IN OUR ECONOMY AND ASK FOR A VOTE OR AN AMENDMENT.

Motion was not supported.

Mr. Simpson suggested to discuss this further at our next meeting.

- VII. New Business - None
- VIII. Future Business – There was no discussion on these items.
 - 1. Active Fishing Vessel Discount at Statter Harbor (05 CBJAC 20.044)
 - 2. Fee For Tenders (05 CBJAC 20.045)
- IX. Next Harbor Fee Review Meetings – February 10th at Noon.
Next Operation/Planning Meeting – February 10th at 5:00 pm
- X. Adjournment – The meeting adjourned at 1:10 pm