

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday April 13th, 2016

- I. Call To Order – Budd Simpson called the meeting to order at 12:10 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 Uchtyl – Port Director, Dave Borg – Harbormaster, Dolly Raster- Administrative Assistant III, Jennifer Mejia- Administrative Assistant II, and Doug Unruh – Operations Maintenance Supervisor.

- III. Approval of Agenda.

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

Motion Passed With No Objection

- IV. Approval of March 9th, 2016 Harbor Fee Review Committee minutes. Hearing no objection, the March 9th, 2016 Harbor Fee Review minutes were approved as presented.
- V. Public Participation on Non-Agenda Items – None
- VI. Unfinished Business

- 1. Active Fishing Vessel Discount at Statter Harbor (05 CBJAC 20.044)

Mr. Uchtyl said the direction given at the last meeting was to reach out to the two fish processors in town, Alaska Glacier Seafood and Taku Smokeries. He said he received a letter from Alaska Glacier Seafood and it is in the packet, Taku Smokeries has not yet responded. The recommendation from Alaska Glacier Seafoods letter was to keep the fishing discount status quo. The other letter in the packet is from Jenny Mejia who is the Administrative Assistant at Statter Harbor. The question was, “whether the requirement to show fish tickets should be removed and just have the fishermen provide their limited entry card to receive the discount”.

Committee Questions

Mr. Mosher said he doesn’t understand why there will be more work involved for staff with just showing the limited entry card.

Ms. Mejia said when someone provided her with fish tickets, she would only need to go into those accounts which are usually only about five or six in a month and apply a credit. By giving a credit with the fish entry card, she would need to go into all 77 accounts each month.

Mr. Mosher said he still doesn’t understand why a copy of his fish entry card doesn’t do the same thing without showing his personal information.

Ms. Mejia said the fish tickets prompt her to go into the specific account and apply the discount. She would need to go into all 77 accounts to see if they used Statter Harbor in that month.

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Ms. Raster said some months they would only get three fishermen turning in fish tickets meaning only three accounts would need to have credits applied. If the fish card was used, she would need to go into 77 accounts to check charges.

Mr. Lowell said the fish card could be used instead of the fish tickets. The three people who sold fish could just show the permit card and those three accounts could be looked at to receive the credit.

Mr. Mosher said he wants to just have to show his fish permit card.

Ms. Raster asked if he wanted to bring his card in every month?

Mr. Mosher said it would only be when he is in Statter Harbor. He doesn't want to show his personal information, and make more work for the office staff.

Ms. Raster said the only thing needed on the fish tickets is the date and the name of the boat. Does the fish permit card mean they can sell to anyone?

Mr. Mosher said yes.

Ms. Raster said the selling local would need to be addressed before we could just take the fish permit card.

Mr. Uchytel asked if anything in this regulation merit's change?

Mr. Mosher said he doesn't agree with having to sell to someone in town. He shouldn't be told to who or where he conducts business. Asking the local fish processing companies if the regulation is good as is isn't helpful because this helps their business.

Public Discussion

Charles Blattner, Juneau, AK

He said he is new to the fishing industry. He said when he went in to pay his annual harbor fee and get the prepayment discount, he was told he could get another discount for being a commercial fisherman if he turned in his fish tickets. He went and got his fish tickets and then they told him he didn't qualify for the discount. The office staff told him he needed to sell to a local vendor to qualify. He said he feels this gives other fishermen an unfair competitive advantage. It should only be his business who decides who he sells to. This savings would have been approximately \$800.00. He said he spends a tremendous amount of money in the community and his property tax has gone sky high. There is nothing other than location for fishing that Statter Harbor offers to him. He said he had a rough year financially last year and \$800.00 in savings meant a lot to him. He said if his community, that he has lived in for 20 years, is not going to give him a break, than maybe he will take his business elsewhere. He said he could keep his boat in a different community for the winter months and come out ahead.

Mr. Janes asked if he was looking at two different issues with the annual prepayment discount and the fisherman's discount?

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Mr. Blattner said no, he thought part of this regulation for the fishermen's discount was to pay a year moorage in advance.

Mr. Uchytel said no, you just have to be an annual stall holder downtown.

Mr. Blattner said because he wasn't told initially that there were qualifiers he was upset when he found out he didn't qualify. He does a lot of business in Juneau and doesn't have to, and pays a ton of money in taxes. He can get better prices out of town and get stuff shipped up on AML. He also said he doesn't want to be told who he needs to sell to.

Mr. Mosher said there were two other fishermen that were unable to come today, but they are also against having to sell to a local fish processor to get the discount.

Committee Discussion/Action

Mr. Donek said the purpose of this regulation in the beginning was to encourage local fish sales. He suggested to figure out what the purpose of this regulation is today. Does the Committee want to encourage fish sales to local fish processors or an encouragement for the local fishing fleet? If it is just for the local fishermen, there are other business' that work off our docks and we don't offer them a discount.

Mr. Simpson said Docks and Harbors receives a good deal of money out of the fish taxes that are collected when fishermen transact business with the local processors. We don't get those funds from the fishermen that sell elsewhere. The money that Docks & Harbors receives is the major part of the original thinking in offering the free moorage. This is giving something back to the fishermen who are helping generate revenue that comes to the department and contribute to our revenue stream. This is not just a random discount and intended to force someone to sell to certain people. It doesn't mean we have to keep it like this.

Mr. Mosher said it has turned into something that coerces you. There are two boats tied side by side and both live in Juneau and both do business in Juneau, one is given a break and one is not depending on his personal business decisions.

Mr. Lowell said it is an opportunity in a business decision. This is not penalizing anyone but giving an incentive to sell local.

Mr. Mosher said the fishermen that doesn't sell local is being levied a fee for not selling local.

Mr. Lowell asked if he thought that was due to not being able to take advantage of the discount?

Mr. Mosher said yes.

Mr. Lowell asked if Alaska Glacier Seafood's fish buyer at Elfin Cove is considered a local fish buyer because they bring the fish back to Juneau?

Mr. Mosher said yes because it is based on where the fish end up. He said Taku Smokeries also owns Hoonah Cold Storage and so if he sells to him in

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Hoonah, he is also selling to a local fish processor but Hoonah is getting the raw fish tax.

Mr. Uchytel said it is where the fish is processed. For example, The City of Homer doesn't get any raw fish tax because all their fish is delivered to Fairbanks to process.

Mr. Janes said another option is to eliminate the discount all together and the fisherman can sell to whoever they want. This would get rid of the disadvantage feeling.

Mr. Donek suggested to open this up to all slip holders. If someone has a slip downtown and they wanted to go north, they would get 20 days free moorage.

Mr. Mosher agreed with Mr. Donek and said there should be some advantage to living in Juneau.

Mr. Donek said as a recreational boater, he spends a lot of money in this town and pays a lot of money on property tax. He is already paying his fair share and doesn't get a discount. Why is it fair for you to get a discount and not sell to the local business'.

Mr. Blattner said he agrees. If you are trying to make it good for one group, you should make it good for all. He said he is shocked by the discrepancies in rates from downtown to Auke Bay. He understands location, there should be some kind of scaled discount for Juneau residence across the board.

Mr. Mosher said everyone that owns a boat is going to end up in Auke Bay at one point or another.

Mr. Simpson said the idea behind the 20 free days was a benefit for the commercial fleet that does do business here because Docks & Harbors receives the raw fish tax. This is the connection and why it is not offered to recreational boaters. The Commercial fishermen do make a contribution to the revenue of Docks & Harbors. He doesn't see the 20 fee day as a punishment if this is not offered to everyone. If this is going to be opened to fishermen that don't do local business, why don't we open this up to recreational, and then Docks & Harbors will be faced with making up the lost revenue. The 20 free days can be justified because we are getting revenue for that to replace what we are losing. If this was offered to recreational boaters, there is no comparable way of making it up unless everyone's moorage rates are increased.

Mr. Janes asked if the local incentive was taken away, how would this affect the fish processors?

Mr. Simpson said with the letter from the local fish processor supporting keeping the discount there has to be some benefit for them, but it would be impossible to determine how much.

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Mr. Donek asked how much of an incentive is this to sell local? If you are going fishing and if you sell local you could get 20 days in Auke Bay, is this a big enough incentive to sell to Glacier Seafoods?

Mr. Blattner said for him it would have been a saving of \$800. Normally, that wouldn't be that much to a commercial fishermen, but last year it was a huge deal. He didn't sell local last year because he was being loyal to someone who helped him out in getting his business started. This year can be different. He asked if the Harbor was considered a public service?

Mr. Uchytel said Docks & Harbors are enterprise operations meaning we don't get any property tax, or sales tax.

Mr. Blattner said so it is a private Industry.

Mr. Uchytel said we are all CBJ employees, but we need to conduct business from the revenue Docks & Harbors generates.

Mr. Janes suggested to offer the discount based on whether someone is a resident of Juneau.

Mr. Simpson said he likes the idea of having some kind of local discount and also likes the idea of benefitting the commercial side because of contributing additional funds that the recreational boaters are not. The questions is how is all of this balanced.

Mr. Blattner said it would be nice for people that live in town to get some kind of discount. He is all about equality. If one group is getting a discount, then the other group should also.

Mr. Simpson said one benefit Docks & Harbors is working on implementing is increasing the discount for annual prepayment which will be for locals.

Mr. Borg said if this were to apply to all fishermen, there would be ways the fishermen would be able to take advantage of the discount. He believes the way the regulation is now is a great service for the commercial fishermen. He doesn't think just because you're a tax payer you should be given a discount because we all do that.

Mr. Simpson suggested this should apply to only customers who paid their annual moorage in advance.

Mr. Janes said he wants to promote the fisherman. He wanted to know how much it would affect the local fish processors if this regulation changed. He would like it so fishermen could sell to whoever they wanted to.

Ms. Raster suggested to give the commercial fishermen that sell locally 23 days, and other commercial fishermen 10 days.

Mr. Simpson asked if this would be easy to track?

Ms. Raster said they would just need to show they have a year around stall and provide the fish tickets so we could tell what discount to use.

Mr. Simpson said that would support the local preference and still provide a general benefit to fishermen.

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Mr. Donek suggested to change (4) of the regulation to add: payment of moorage is on an annual basis. This would then only apply to locals.

Mr. Simpson noted that is already in the regulation “ An annual stall holder that pays annual fees may get 20 days free moorage at Auke Bay”.

Ms. Raster said a person can have an annual stall and pay monthly.

Mr. Simpson said that is how staff is interpreting it but maybe what is meant is the annual fees need to be prepaid. There is nothing annual about it if a person is paying month to month.

Mr. Donek said it doesn't say annual in the fourth paragraph. He can see the confusion with the wording in this regulation.

Mr. Mosher suggested to simplify this regulation. The commercial fishermen with reserved stalls just has to show their fish permit card and they would get 20 days free in Auke Bay and they don't have to show their fish tickets.

Mr. Donek said then there could be all 77 boats in Auke Bay.

Mr. Mosher said that won't happen.

Mr. Donek suggested that commercial fishermen with an annual stall downtown would get the 20 days free moorage at Auke Bay to use in the winter months.

Mr. Simpson asked Mr. Blattner if the 20 free days at Statter Harbor in the winter months would help him.

Mr. Blattner said he doesn't use Statter Harbor in the winter right now. In his five year plan it might help him.

MOTION By MR. JANES: IF A COMMERCIAL FISHERMAN IS A LOCAL RESIDENT AND HAS A YEAR AROUND STALL THEY WILL BE ENTITLED TO TWENTY DAYS OF MOORAGE AT STATTER HARBOR AND ASK FOR A VOTE.

The Committee members discussed the motion.

Mr. Janes retracted his motion.

Mr. Uchytel asked if the goal was to get rid of having to show the fish tickets.

Mr. Mosher said yes.

Mr. Simpson said no, but it is an issue.

Mr. Janes said his goal is to allow fishermen to sell on the open market and yet if they are local residence they are still contributing to Juneau's economy.

Mr. Mosher suggested a local resident or selling to a local processor.

Mr. Simpson said that is too many moving parts.

Mr. Lowell said it would reduce the drama. Some people would get a double discount. A 10% for paying annual up front and 20 days free for selling to a local processor.

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Mr. Simpson asked how the annual stall holder and local resident is determined.

Mr. Borg said he has a hard time trying to get customers to bring in their registration for a launch ramp permit.

Mr. Simpson said the customers that are eligible for these discounts are receiving a large benefit so they should want to supply the required documents.

Mr. Mosher said all you need to do is take away selling to a local processor and show the permit card and it would be the same thing. He said, permit card, reserved stall, and 20 days.

Ms. Raster said no refunds.

Mr. Donek said this is getting away from the original intent.

Mr. Simpson directed Committee members and staff to come back to the next meeting with recommendations for motion on this item. He suggested to think about what is trying to be accomplished, and how it can be implemented without driving staff crazy and imposing a huge burden on them. This would be trying to benefit and incentivize local commercial fishermen, provide a break for residence, and not hurt our revenue.

Mr. Bladder made a suggestion to give 20 days if selling to a local fish processor and 15 days to a commercial fishermen that is not selling to a local fish processor.

Mr. Simpson said that would add another layer of inquiry from staff.

Mr. Bladder said at some point you just have to say it is a job.

Mr. Uchytel said the regulation just needs to be simple so there is no question in interpretation.

VII. New Business – This item was not discussed.

1. Residence Surcharge (05 CBJAC 20.050)

VIII. Future Business – This item was not discussed.

1. Grid Usage Fees (05 CBJAC20.100)

IX. Next Harbor Fee Review Meetings – April 20th at Noon.

Mr. Simpson said to only put the Active Fishing Vessel Discount on the next agenda.

Mr. Uchytel asked if the Committee was still going to meet in the summer?

Mr. Donek suggested to get through the commercial fishing item and then start up again in September.

X. Adjournment – The meeting adjourned at 1:22 pm