

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES

For Wednesday, January 18th, 2023

CBJ Room 224 and via Zoom

- A. Call to Order** – Mr. Ridgway called the meeting to order at 5:00 p.m. at CBJ Room 224 and via Zoom.
- B. Roll Call** – The following members attended in person: Jim Becker, Don Etheridge, Paul Grant, Debbie Hart, David Larkin, Annette Smith and Mark Ridgway.

Absent – Matthew Leither

Also Present – Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Jeremy Norbryhn – Deputy Harbormaster, Teena Larson – Administrative Officer, Benjamin Brown – City Attorney and Nichole Benedict – Administrative Assistant.

- C. Port Director Request for Agenda Changes** – None
(Short statement saying Ms. Lacey Derr has resigned from the Docks & Harbors Board)

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

Motion passed with no objection.

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

E. Approval of Minutes

1. December 21st, 2022 Meeting Minutes – Hearing no objection, the December 21st, 2022 minutes were approved as presented.

- F. Consent Agenda** – None

G. Unfinished Business

2. By-Law Changes

Mr. Grant shared a presentation regarding proposed Docks & Harbors Board and committee By-Law changes. He has been working on this with the Law Department. He reviewed the highlighted changes starting on page sixteen in the packet. He would like the Board's input on membership requirements for committees and voting.

Committee Questions

Mr. Etheridge said he thought this language was designed for committees of the whole and not sub-committees. He would like to separate out the Board, committees and sub-committees in the By-Laws.

Mr. Brown said it is not currently set up that way, but we could definitely change it to have sub-committees follow a different set of rules. He would like these By-Laws to be easy to read and understand for new members and the public. He is hoping to have these changes completed and ready for review by the next Regular Board meeting.

Mr. Larkin asked if we could change voting to two thirds of the committee.

Mr. Grant said the current language says for all committee meetings. It could be changed to exclude sub-committees and only require the majority of the quorum. He fears there is some inconsistencies with special committee member requirements. Voting members of a special committee can be non-Board members.

Ms. Smith said you could change a quorum to consist of fifty percent plus one. She would like to know why we would hinder ourselves by defining committees in the first place.

Mr. Ridgway would like it differentiated between a committee of the whole, a standing committee and sub-committee. He also likes Ms. Smith's suggestion for the fifty percent plus one. He asked Mr. Brown to look at how other boards handle these situations within the City and Borough of Juneau (CBJ). He thinks the Operations/Planning Committee should be the only standing committee for Docks & Harbors (D&H).

Mr. Becker said he has been a part of committees that only had one board member and the rest of the committee was comprised of knowledgeable people in that area.

Mr. Grant received suggestions from two Board members regarding Zoom and telephonic participation. He revised the By-Laws to show it as electronic participation if a Board member is unable to attend in person. He wanted to hear the Board's opinion if electronic participation should be regularized or if we should encourage in-person attendance.

Mr. Uchytel said he thinks the Assembly will always require virtual participation as an option.

Public Comment – None

Committee Discussion/Action

Mr. Becker would like wording encouraging members to attend in person.

Ms. Smith thinks electronic participation should be acceptable if it works best for them. Attendance is more important than which way a member attends.

Ms. Hart thinks the Board is more productive when the meetings are in-person and that should be encouraged. She is very happy with the electronic attendance wording. She does not want to limit members with telephone or Zoom requirements.

Mr. Larkin likes that members are able to attend electronically. He is also a fan of encouraging in-person attendance so the public can speak with members, not a screen.

Mr. Grant asked the Committee if electronic participation at the annual Board Retreat should be allowed.

Mr. Ridgway would like to strongly encourage in-person attendance for the retreats, but not require it.

Ms. Smith would like to encourage but not require in-person attendance for the retreats.

Mr. Grant would like to know what the Committee members thoughts on the public stating their name and organization affiliation when speaking. He also asked if changing the By-Laws needed Assembly approval.

Mr. Brown said it would be better for Board/Committee members to ask if a person is speaking on behalf of an organization or group. He feels most people will give a disclaimer if they are a member of an organization, yet not speaking on its behalf. Mr. Uchytel said there is an error in the resolution that accompanies the Title 40 code provision. The last change to the By-Laws was approved by the Assembly and he strongly suggests this revision also goes before the Assembly.

MOTION By MR. LARKIN: TO RECCOMEND THE BOARD APPROVE THE BY-LAW CHANGES AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

3. FY23/FY24 Budget

Ms. Larson shared an overview of the Docks Enterprise and Harbors Enterprise budgets. She said there is very little difference from the last time it was shared with the Board. The Board did not vote to put a cap on the CPI rate adjustment. Credit card fees were discussed and CBJ cannot charge a convenience fee for using a credit card as payment. Other departments do put a dollar amount cap where a credit card can no longer be accepted. The Finance Department made a small change to show the accurate Harbor Enterprise fund balance. Ms. Larson also shared a graph showing the increase in insurance costs over the years. Insurance costs increased from \$114K in FY13 to \$538K in FY23 and \$661K in FY24.

Ms. Larson spoke about the Admin Restructure FTE Changes memo on page twenty-five in the packet. D&H is increasing the administrative needs by a .62 FTE for the Harbor Enterprise and a .04 FTE for the Docks Enterprise. The Statter Harbor office will have two full-time Administrative Assistants now. It was also thought to keep the seasonal Administrative Assistant as the Aurora Harbor office so we would be able to have it open on Saturday's during the summer.

Committee Questions

Ms. Smith asked if we are trying to fill the vacant positions and if they are included in the budget.

Ms. Larson said we are actively trying to fill all positions and they are all included in this budget.

Public Comment – None

Committee Discussion/Action

MOTION By MR. ETHERIDGE: TO FORWARD THE BUDGET AS PRESENTED TO THE FULL BOARD FOR ACTION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

4. Appraisal Instructions – Hansen Gress

Mr. Uchtyl spoke about the memo on page twenty-seven in the packet and read the previous motion by the Board regarding the Hansen Gress property. He is negotiating with the appraisal company and an issue came up regarding the easement. On page twenty-eight of the packet is a photo of the property. The yellow lines are the property lines and to the right is the Alaska Department of Transportation (DOT) right-of-way. If the intent of the Board was to keep an easement to build a seawalk, we already have that because we own the tidelands in front of the building.

Committee Questions

Mr. Ridgway asked what piece of property Hansen Gress was asking to purchase.

Mr. Uchtyl said it was the blue piece of property shown on page twenty-nine of the packet.

Ms. Smith said when the Board made the original motion it was to protect the public's ability to use the area.

Mr. Larkin said we are selling eight feet in front of the building, which is unusable to us. This would allow them to put in a deck.

Public Comment – None

Committee Discussion/Action

Mr. Ridgway said the building was allowed to be built over property lines and it is causing an issue and now they want to add a deck and are asking to buy this small amount of land to accomplish this. He said staff is recommending us to remove the easement language, which could cost us money and does not give us much in the end. Mr. Ridgway said he is ok with removing the easement request. He asked about the

master plan and if it shows a seawalk. He wanted to know if the Board would have further say on how this will play out.

Mr. Uchytel said the piece of property they are trying to buy is 5,205 square feet. There was no plan for a seawalk in this area on the master plan. The value of our piece of property is \$73K, which is low because the building is built on pilings. Mr. Uchytel will have Mr. Horan come to the next Board meeting to discuss the appraisal process and answer any questions.

Mr. Grant said he thinks Mr. Uchytel is right, we would have tideland property in front of the building if we wanted to add a seawalk. He is concerned about a seawalk if it is constructed on the uplands of the property. He would like to table this item until the Board can meet with the appraiser.

Ms. Larson read the meeting minutes from the August 25th, 2022 Board meeting where this property was originally discussed.

Mr. Ridgway would like to remove the easement language and meet with the appraiser to ask questions.

Mr. Grant would like the motion in this packet to be on the agenda for next week's Board meeting following the discussion with Mr. Horan.

5. Harbor Rate Study – Next Steps

Mr. Uchytel said Ms. Derr was taking the lead on this before she resigned from the Board. He wanted to keep the momentum going on this issue and make sure we know what our next steps are. If the Committee would like him to start the process to raise all rates by nine percent he can do that.

Committee Questions – None

Public Comment

Kirby Day – Juneau, Alaska

Mr. Day spoke on behalf of Princess Cruises. He is trying to get a sense of when the Board and Port Director will set fees for 2024. He is concerned about the budget process because his fiscal year ends in November.

Committee Discussion/Action

Mr. Etheridge commented that he thought the next step should be opening it up to the public process.

Mr. Uchytel said Ms. Derr wanted the Board to do the community outreach and he wanted to know if that was still the plan.

Mr. Etheridge recommended he work with Mr. Uchytel to come up with a plan.

Mr. Ridgway thought that was a good idea. He would like this topic on next week's Board meeting agenda.

Mr. Grant would like staff to come up with meeting dates and times for the public outreach.

H. New Business – None

I. Items for Information/Discussion

6. Auke Bay Loading Facility (ABLF) – Operational & Authorization Use

Mr. Creswell said this facility leases the left side of the property to Karl's Auto and Marine. The right side of the property and drive-down float are managed by D&H. We recently received word from the State of Alaska Department of Environmental Conservation (DEC) that some of the activities taking place at the D&H managed property at the ABLF are not authorized. He shared the map on page thirty-three of the packet and pointed out the DOT right-of-way. Mr. Creswell said the ABLF has several uses now. It is a commercial boatyard, haul-out facility, commercial use drive-down float and property storage. Karl's Auto and Marine has the lease and all of the Multi-Sectional General Permits required by the DEC. D&H does not have these permits or the equipment needed to obtain them. We are not allowed to do any pressure washing, tank storage or vessel repairs. He would like to discuss how we move forward with this location and serve our customers. Vessels will now need to do maintenance with Karl's Auto and Marine or be hauled offsite by someone that is permitted by DEC. Mr. Creswell also spoke about the self-propelled boatlift that was sold in 2022. The replacement boatlift is required to be made in the USA and that is causing difficulty.

Committee Questions

Ms. Smith asked how long it takes to get a permit and the cost. She also wanted to know if we currently charge for use of our facility. She wonders if we should even attempt to replace the boatlift or if we should renegotiate the lease with Karl's Auto and Marine.

Mr. Creswell said getting the permit is not the hard part. The difficulty will be in the routine inspections, installing equipment and infrastructure, staffing the facility and shouldering the liability. D&H charges a commercial ramp permit fee, staging fees and charge for use of the drive-down float.

Mr. Uchytel said when we managed the boatyard it cost about \$10K to pay a firm to help them acquire the permit. We transferred the permit when we started leasing the facility. The first business D&H leased the boatyard to was fined considerably for violations. There is a clause in the boatyard lease that it must be appraised every five years. The lease amount might go down now that the boatlift is not an included piece of equipment. Mr. Uchytel said D&H pays ADOT \$18K annually for commercial use of their right-of-way at this location.

Mr. Ridgway said the maintenance of the permit in addition to the infrastructure would be a significant cost.

Mr. Grant wanted to know if the activities we were allowing differ from the permitted boatyard. He asked if Karl's Auto and Marine is lacking the space needed to provide services.

Mr. Larkin thinks the D&H managed section is critical for the community. He believes containment can be as easy as a berm and the required covering could be a sturdy awning.

Mr. Becker is concerned about containment. He would like to either provide a full-service boatyard and be careful of contamination, or get out of this type of use.

Ms. Hart asked if the footprint of the boatyard comes up with each lease appraisal.

Mr. Uchtyl said the current boatyard lease to Karl's Auto and Marine went through the Assembly for approval. Any changes would also need to be approved by the Assembly.

Public Comment

Karl Leis – Juneau, Alaska

Mr. Leis said Karl's Auto and Marine does have a boatlift but it cannot haul as large of vessels as the old D&H boatlift. He is trying to make do with what he has. He also said the grade of the ramp is always a challenge. When Mr. Leis signed the lease with D&H for the boatyard he was under the impression that all of the discussed work would be done at his facility because he is permitted and has the infrastructure to accommodate it. He runs a standard boatyard where you are able to rent space and do any maintenance; he even has forklifts for engine swaps and water systems. He understands the scheduling issues and is willing to work with everyone to get things done. Mr. Leis thinks his current permit extends to the entrance gate. He will check the permit and get back to the Board. Mr. Leis said he is fully prepared to accommodate everyone this summer.

Bob Janes – Juneau, Alaska

Mr. Janes said he is very thankful for the ABLF. His business, Gastineau Guiding is growing and in the beginning he thought the ABLF was perfect. Now he feels the facility is too small for the community's needs. His company performs about 250 oil changes in four months. Each oil change takes about two hours to complete. His company is very careful doing the oil changes and has not had any issues. He would like D&H to continue to provide a place for these services. He would like to bring Karl's Auto and Marine, all the operators and D&H staff together to find a solution. Many times the necessary oil changes come up spur of the moment when there is two hours between tours. Currently he is able to call D&H staff and get things done right away or leave a voicemail if done in the evening. Mr. Janes said he has no problem working with Karl's Auto and Marine if it is necessary.

Ken DiMarzio – Juneau, Alaska

Mr. DiMarzio is representing Juneau Tours and Juneau Whale Watch. He is at Statter Harbor seven days a week during the tourist season and uses the ABLF five days a week. Juneau Tours, Gastineau Guiding and Paul Weltzin are the big users of the facility. Most

of the other companies/vessels might use the facility once a week. These three companies are self-sufficient and do all of their own work, it would be out of their nature to use someone else's boatyard. He is worried about having to rely on a contractor and fitting things into their timetables. His vessels are much bigger than Gastineau Guiding and he does not even know if Karl's would be able to haul his vessels. He owns his own truck and trailer and usually pulls his boats out, performs maintenance at the top of the ramp and puts the boat right back in the water.

Kirby Day – Juneau, Alaska

Mr. Day is considering Tourism Best Management Practices (TBMP) and hopes the operators have plans for this summer. It would be ideal for everyone to have a plan before this all goes public. This is a very environmentally cognizant community. The first cruise ship is three months away and we need to figure out a way for them to work with Mr. Leis very fast. He is also concerned about issues with the public with so many boats doing oil changes in a parking lot.

Jacob Hotch – Juneau, Alaska

Mr. Hotch said Gastineau Guiding does an oil change every 100 hours. The season starts this year on April 17th and he will need to do the first oil changes within a week. The boats all need an oil change about the same time, which is ten boats a week.

Sky Bonnell – Juneau, Alaska

Mr. Bonnell said he has fewer boats but with higher capacity. It takes a little longer to perform oil changes on his vessels.

Committee Discussion/Action

Mr. Grant asked about the DEC notice. Mr. Grant said he sees so much need maybe we should build some infrastructure. He asked if there is anything we can do for one season to appease the DEC while we figure this out.

Mr. Creswell said all correspondence from DEC has been through professional curtesy and phone conversations so far. We have been able to keep all of this informal up to this point with no regulatory action. The way it was explained to him, a permit is needed to do the oil changes and power washing without exception.

Mr. Larkin asked about the piece of property on the left side of the facility's entrance. He would also like to know if we are able to move what is there to expand the boatyard. He would like to expand the capabilities of the D&H side of the ABLF. We might be able to contract the management of the facility.

Mr. Creswell said the left side of the entrance is D&H storage and there are some crab pots and excess lumber. He thinks that could be relocated if needed.

Mr. Ridgway said he thinks we might be able to limit the use of the D&H side to only oil changes, with no power washing or painting. He hopes this will be ok without obtaining a permit.

Ms. Smith asked about ABLF use by patrons other than tour companies. She also wanted to know if there is need in the winter months as well.

Mr. Creswell said 98% of the D&H side of the ABLF is used by Gastineau Guiding and Juneau Tours. Most of the other operators already use Karl's Auto and Marine.

Mr. Grant does not feel we have enough information from this discussion to come up with Committee action. He thinks Mr. Janes suggestion of getting everyone together is a good one, although, he is concerned if it can be settled in 90 days before the start of the season. He would also support expanding Karl's Auto and Marine footprint if that will help.

7. Request for Proposal (RFP) Juneau Port Master Planning

Mr. Uchytel wanted to inform the Board that the January 30th Assembly meeting will be important. They will discuss cruise ships and cruise ship related things. He drafted an RFP per the City Manager's request and was asked not to make it public until after that meeting. The direction he was given was to draft a comprehensive master plan to include the new cruise ship dock at the Subport property. D&H would take the lead for synchronizing the efforts between Huna Totem, U.S. Coast Guard, Goldbelt and D&H's desire for small cruise ship infrastructure. It will also include AEL&P regarding dock electrification. This RFP is designed to steer local interest and find solutions by bringing these different entities together. We are striving for harmony between all of our projects. The Assembly will appropriate \$300K to fund this RFP. The counter argument is the city should not be dictating what private companies do with their property. In the national omnibus bill that was recently signed it states the 2.4 acre NOAA property gives first right of refusal to the U.S. Coast Guard. It also requires them to make an offer within 180 days or CBJ gets the next right of first refusal at fair market value.

Committee Questions

Mr. Ridgway said the RFP would contract with a design firm to coordinate multiple million-dollar projects.

Mr. Grant asked if the RFP would give legal planning authority to impose design requirements, or would it be more advisory.

Mr. Uchytel said the Huna Totem presentation to the Assembly was more about the uplands than the dock itself. The dock was not to scale or in the correct place. He thinks it would be best to have all of the piers perpendicular and an overall pleasing aesthetic.

Public Comment – None

Committee Discussion/Action – None

J. Staff and Member Reports

Mr. Creswell started interviewing for the Aurora Harbor Operations Supervisor position. He will select his candidate by next week.

Mr. Uchytel said the reason Ms. Derr resigned from the Board was because her husband applied for the Harbor Operations Supervisor job. Her resignation was not required but she did not want any type of impropriety. Next Wednesday will be the bid opening for \$300K in electrical equipment for Aurora Harbor Phase III. Mr. Uchytel wanted to know if the Board would like to attend the Assembly meeting next week on January 26th. It starts at 5:00 p.m. but we could move our Board meeting to 6:00 p.m. to facilitate attending.

K. Committee Administrative Matters

Next Operations/Planning Committee Meeting – Wednesday, February 15th, 2023.

L. Adjournment – The meeting adjourned at 8:11 p.m.