

SPECIAL ASSEMBLY JOINT MTG. 2023-28 WITH DOCKS & HARBORS BOARD **DRAFT** MINUTES

December 18, 2023 at 6:00 PM

Assembly Chambers/Zoom Webinar



<https://juneau.zoom.us/j/95424544691> or 1-253-215-8782 Webinar ID: 954 2454 4691

Immediately followed by Committee of the Whole Worksession

A. CALL TO ORDER

Mayor Weldon called the joint meeting to order at 6:00p.m. in the Assembly Chambers located at 155 Heritage Way.

B. LAND ACKNOWLEDGEMENT

Assemblymember Ella Adkison gave the following Land Acknowledgement:

We would like to acknowledge that the City & Borough of Juneau is on Tlingit land, and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

Assemblymembers present: Mayor Beth Weldon, Deputy Mayor Michelle Hale, Wade Bryson, Alicia Hughes-Skandijis, 'Wáahlaal Gidaag, Christine Woll, Greg Smith, Paul Kelly, Ella Adkison

Docks & Harbors Boardmembers Present: Chair Don Etheridge, Shem Sooter, Mark Ridgway, Deborah Hart, Matt Leither, and Jim Becker (arrived at 7:08p.m.)

Staff Present: City Manager Katie Koester, Port Director Carl Uchtyl, City Attorney Robert Palmer, Deputy Manager Robert Barr, Municipal Clerk Beth McEwen, Deputy Clerk Andi Hirsh, Assistant Attorney Sherri Layne, Assistant Attorney Emily Wright, Tourism Manager Alix Pierce, Port Administrative Officer Teena Larson, Harbor Director Matt Creswell, (Staff on Zoom: Parks & Recreation Director George Schaaf, Finance Director Angie Flick, Lands Manager Dan Bleidorn, Assistant Attorney Nicole Lynch, Engineer II Alan Steffert)

D. AGENDA TOPICS

1. Joint Meeting with the Docks & Harbors (D&H) Board Introductions

Mayor Weldon thanked the members of the Docks and Harbors Board for their service and making themselves available to meet with the Assembly. She invited each of the members to introduced themselves.

2. Roles and responsibilities of the Tourism Manager and the Docks & Harbors Board

After introductions, they discussed the topics of the roles and responsibilities of the Assembly, the D&H Board, Manager and Port staff and how those all intersect especially with respect to the role of the Tourism Manager.

City Manager Katie Koester provided a memo in the packet following up on discussions and presentations by former City Manager Rorie Watt on this topic. Manager Koester explained that one outcome of the work of the Visitor Industry Task Force (VITF) in 2019-2020, was that the Assembly directed the manager to create the Tourism Manager who is hired to work on managing the impacts of tourism on the community. The policy decisions come from the Assembly. The memo in the packet gives the 30,000 foot level to keep it out of the weeds. She noted that the Assembly has a key policy decision to make and that is "Does the Assembly want Docks & Harbors to be involved in Dock policy as it relates to the visitor industry?"

Mayor Weldon asked members of both bodies to provide their input on that question. Each member present provided their opinions and all agreed that communication between the Assembly, City Manager, Tourism Manager, Port Director and D&H Board was an important component in all the discussions related to the Docks & Harbors facilities. They also suggested that some of these communication channels could be assisted through the use of the liaisons to/from the Assembly and Board.

With respect to the tourism issues, the Assembly expressed a desire for the Docks and Harbors Board's role to continue to run the daily operations, staffing, and facilities of the Docks (and harbors) but that the Assembly wanted to be the ones making policy decisions related to broad range, community planning efforts taking into account the impacts on the community by tourism, specifically as it ties into to the Docks (and harbors). While the Assembly's discussion focused primarily upon tourism-related dock issues, they briefly discussed the impacts of tourism on the harbors, especially as it related to the whale watching industry. The Assembly expressed their desire that the work of the Tourism Manager would be following the policy direction given by the Assembly to help mitigate the impacts of tourism on the community. The ability of the Tourism Manager to use dock scheduling is an example of one lever that could be used to accomplish some of the Assembly directed policy decisions.

Mayor Weldon explained that in her conversations with Chair Etheridge and Port Director Uchytel, they discussed the fact that while the Assembly is wanting to make policy decisions about the docks and tourism impacts, they are not intending on weighing in on any of the revenue/fee structures already set in place under the D&H Board.

D&H Boardmembers shared that they were concerned that the Assembly wanted to make changes to Title 85 and they expressed their appreciation for the Assembly having this discussion with them to get a better understanding of the roles of each of the groups involved. Ms. Hart shared her experiences of her current service on the D&H Board and her past service on the Eaglecrest Board and stressed the importance of the role of the empowered boards in being an entity that hears directly from and works with the public on the issues that fall under the board's purview and she shared that is a key role she would like to see continue. She suggested the Assembly might want to form a subcommittee that is tasked with hearing from the public.

Mayor Weldon noted that as far of a subcommittee, the whole Assembly wants to be involved in any dock related conversations.

Ms. Woll said that she was interested in hearing D&H board members' opinions as to what they might be losing by having things go through the tourism manager, managed by direction of the Assembly.

Mr. Ridgeway stated that they have 3 buckets of things that the D&H Board deals with: project management, managing staff, and prioritization/rate setting. He suggested they might come up with a method that triggers a process by which something is moved on to the Assembly rather than D&H Board dealing with that particular issue.

D&H Chair Etheridge shared that the biggest concern they had was with the way the proposal was initially rolled out by former City Manager Watt. He noted that the D&H Board has been asking to meet with the Assembly and have open communication with them. They are looking for direction from the Assembly on where the Assembly wants the board to go.

Mr. Leither said that he was hoping to have more clarity about the fact that Docks & Harbors were being asked to maintain and staff the docks and make sure they are functional for the tourists in the summer but in the initial read he had of the proposed changes, they were being stripped of the fees that would generate the revenues that pay for those services. He said that he thinks it is reasonable to assess whatever the Assembly feels is appropriate from the Marine Passenger Fees to accomplish that. He said that his concern was that D&H Board was being taken out of the dockage rate fee decisions and that doesn't allow them to maintain and manage their services.

Mayor Weldon noted that those are some of the things that the bodies will need to communicate about. She noted that one of the things the Assembly wants Tourism Manager Pierce to consider when she works on the

scheduling is to get the right ship at the right dock and one of the mechanisms for doing that is by increasing the dock rates to match closer to what the private docks are charging. She said that will be something that the D&H Board will also be weighing in on. She said that she foresees the hardest part about the communication piece is that a large amount of that burden will fall on Port Director Uchtyl. She said that the Assembly doesn't want to take his position away from the D&H Board but as things come up related to docks, he will need to identify whether something is policy related or not and if it is, he will work with Manager Koester to decide which body should be taking it up. She said there is likely to be some confusion as they work out that process and she apologized for any miscommunication that may have happened in the past. This naturally lead into the discussion of the next agenda item.

3. Assembly/Board Communications

Chair Etheridge said that he felt this was one of the greatest dialogues they have had across the two bodies. He spoke to numerous communications he has had with the Mayor and he wants to be sure that extends to the rest of the Assemblymembers and D&H Board members. He and the Mayor spoke to the process of the recent rate study and rate increase that the D&H Board worked on over a three year period. Mr. Etheridge shared his frustration that members of the public and others may not realize that the state built the docks and harbors and then turned them over to the municipality in need of a lot of maintenance and the board was trying to meet those needs but needed to be able to fund those as well and couldn't do so on rates established in the 1970s. He was concerned by the split vote on the rates when they came to the Assembly.

Ms. Woll said that while no one on the Assembly voted against the rate increases, they did want to have one more meeting to consider it. She said that maybe it would be helpful for the Assembly to have a conversation about the role of the liaisons. She said that it isn't real clear if the role of the liaison is just to share communications between bodies or if there is a greater obligation for the liaison to be spotting issues of concern and helping to prepare for those in advance. She said that she feels that is a bigger conversation for the Assembly to have with respect to all the liaison roles across the different boards and what those expectations on the liaisons are.

Mayor Weldon agreed and said that if the D&H/Assembly liaisons see issues of possible concern to please bring those to her and Manager Koester's attention.

Mr. Ridgeway said that in going back to the three buckets he mentioned that have traditionally been under D&H control: facilities, rates, personnel, that is 85% of what they deal with. Using the metaphor of working on a vehicle, he said that as the Assembly lifts up the hood and starts to work on this engine that encompasses all of Docks & Harbors, it is very complex and he provided a cautionary note not to twist the wrench too hard.

Mr. Smith said he needs more information about what they are trying to set policy on. He said that with respect to the dock rates and CIP projects, he is not an expert and didn't feel comfortable weighing in on that without more information. He said that he does have personal perspectives and principals as it relates to the harbor rates and the impacts those have on commercial fishermen and liveaboards and he may want to weigh in on those.

Mayor Weldon shared that if Mr. Smith has issues about the harbor rates, those concerns/questions would be directed to the D&H Board and staff. She said that what they are proposing is that for any of the port/dockage rates to be managed through Ms. Pierce.

Ms. Hughes-Skandijs, spoke to liaison role vs. that of an individual Assembly member. She shared how much time and commitment each board member makes in serving on the board and that it is difficult for the board to work on something at length without knowing the policy directions that the Assembly has on those issues. When the Assembly is clear and provides a clear picture in policy direction, things work well and she stressed the importance of the Assembly to come up with and provide clear direction to the empowered boards.

Mayor Weldon thanked Ms. Hughes-Skandijs for her comments and said that she understands what Mr. Smith was also saying a little clearer. She said that as the D&H Board does want policy direction on anything from the

Assembly, such as the harbor rates, they should come to the Assembly with that before the board spends a lot of time on it.

Mr. Sooter asked if they are rewriting Title 85, would it be appropriate to include language stating that the Assembly and D&H Board would meet annually or bi-annually. Mayor Weldon noted that they try to meet with the board at least once a year but if they want to include that language in Title 85, it could be incorporated in those changes.

Ms. Hale said that what Mr. Smith was getting to is that there may be some polar opposites in terms of Assembly opinions on setting rates for different types of harbor users so that is not an easy thing for the Assembly to come to agreement on. She said that this Assembly has tended to go a lot into the weeds on so many issues and there is only so much bandwidth and that is why they have empowered boards. She said that it is up to D&H Board to set the harbor rates and then up to the Assembly to say yes or no to those rates. She said that when the D&H Board initially came to the Assembly with the first round of rates, the Assembly said no, because they wanted to hear more justification on why the rates needed to be changed. The D&H Board took that direction from the Assembly and went back and provided that information and new rates were approved. She said that in the big picture scope of things, she would also like to have a joint Assembly D&H Board meeting to discuss liveboards sometime.

Ms. Woll, a former liaison to the D&H Board, said that this discussion about the rate raising is a perfect example of how hindsight is 20/20 and would be a situation that as they move forward they are looking for those issues that are or could be controversial and have those joint conversations earlier in the process.

‘Wáahlaal Gidaag said that in thinking through the questions Mayor Weldon posed, she sits on another board and if the strategy at top level hasn’t been formulated in a way that is clear to everyone involved, everything becomes piecemealed. She said in thinking through the communications pieces, the liaisons who sit on each body that may be one avenue for those lines of communications to stay open. She said the Assembly needs to look at its intentions, its goals and how do these fit with D&H board.

Chair Etheridge said that they have heard a lot of information during this meeting and he hopes they can keep up this communication. He said that one of the underlying mandates the D&H Board has when setting rates is that the policy is that they have to be fair to all user groups. He said they can’t please everybody all the time and usually somebody is going to be mad at them about something all the time. He said that is something they will need to keep in mind with their communications with the Assembly.

4. Project Updates from Port Director

Port Director Carl Uchtyl provided updates on a number of projects the Mayor specifically asked him to provide information about. Starting with the **Aurora Harbor Phase III** project, that is the next phase to be built out. He said that project has been awarded to Trucano Construction for \$4.2 million and they are mobilizing this week and hoping to start driving piles by the end of the week. That particular project is three times the costs that they paid in 2018 for the first phase of the project. He said that the good news with Aurora Phase IV, which will be the next to last phase, \$5 million was allocated by the 1% Sales Tax which he thanked the Assembly for. He said they have applied for a Harbor grant and while they haven’t had the best outcome on their grant applications, they pursue projects that have most likelihood of being funded. He said that if they assume they will get the \$5 million from State DOT through the harbor grant program and the governor signs it in July 2024, they could bid it and go out for bid in the summer of 2025 for the last phase on the Aurora Harbor project.

Director Uchtyl said that the next project the Mayor specifically asked him to provide information on was the **N. Douglas Boat Launch ramp expansion**. Mr. Uchtyl said he has had conversations with Kensington Mine who has excess waste rock and he said there could be an opportunity to build something out there in the range of \$20 million. He said that the area is heavily used and the water is very deep there. He said they only have a concept plan and a rough order of magnitude estimate at this time. He said the challenges they would have with any development is that they would need to resolve the issues is that all that parking is in the State right of way. He said the State gave CBJ the property in 2001 but it is still encumbered with State right of ways. They would also

have to petition DNR for the submerged lands to build out and there would also be permitting requirements. He said that this would also be a hot topic for those who live in N. Douglas, some will love it and others will hate it. He said that the D&H Board and staff like that project but they don't really have the funds to pursue it at this time. However if the Assembly gave the board direction that they would like to see this done, they would move as quickly as they can.

Mr. Uchytel said those were the two main projects Mayor Weldon asked him to speak on but that he was open to talking about anything else they may have questions about.

Mr. Smith asked Mr. Uchytel if the current plan was to offer more commercial use or what their concept was. Mr. Uchytel said that what they would hope to do would be to install a year-round launch ramp. He said that they would need funding to make this happen. He noted that there may be more commercial use of the D&H such as the potential of moving some of the whale watching vessels over to N. Douglas. He said that might allow them to use MPF funds to help build that out. That is one potential. He said the primary need would be for local, non-commercial use, but they may need to think strategically for use of MPF.

Mr. Uchytel also spoke to the increase earlier in the year for the limit of the DOT/Municipal Harbor Grant to be raised from \$5 million to \$7.5 million and the Assembly passed a resolution supporting that increase earlier this year.

Mr. Uchytel then spoke to the need for the Statter Harbor Breakwater project. He said that breakwater is currently getting long in the tooth and it currently confines the area and the ability to develop more use of that area. They would like to support other government vessels in that area. The breakwater is a federal asset that is run by the Army Corps of Engineers and D&H has petitioned the Army Corps for several years to get a study going for it. Currently in the Senate budget, Senator Murkowski has put forward money in the amount of \$500,000 as a congressional directed spending (CDS) and that is moving forward. He said they have had conversations with the Army Corps in Anchorage and they say that it is a great project. He said the money is there and they need \$3.6 million with half of that local match share at \$1.8 million for that study. Once that study is done, they will need to come up with a 20% match for the replacement of the breakwater.

D & H Vice Chair Jim Becker joined the meeting at 7:08p.m.

Ms. Hart said that the projects that were shared by Mr. Uchytel, in looking at the two main projects related to N. Douglas and Statter Harbor, she anticipates those will be hot topics for commercial fishermen and whale watching boards and on all their board agendas for quite some time. She asked how the Assembly wants to be involved with those especially in light of the earlier conversation about communications.

Ms. Woll said that she thinks the N. Douglas issue would be a perfect example of where tourism impacts as relates to traffic and other development overlap with D&H. She said she felt it would be beneficial, early in the process, to have those conversations about traffic impacts in that area.

Ms. Hale agreed with Ms. Woll and said that it worries her somewhat about the whale watching and that her concern isn't just about the traffic at the harbors but also as it relates to how much traffic is occurring around the whales themselves, especially at certain times. She said the Assembly has had presentations about those issues already and it is something that even the whale watching operators have been looking at. She said she felt it would be important for the D&H Board to also be involved in those discussions.

Mayor Weldon said that this is a perfect example of communications that would be sent through Ms. Pierce. She also said that while the Assembly isn't often looking at the D&H agendas, if the board feels there is something the Assembly should be aware of, they can send an email to the City Clerk and that information will be forwarded to the Assembly and while not all Assemblymembers may show up to the meeting, there may be more than one who attends.

Mr. Ridgeway said that while the Title 85 language is specific to docks, this brings up other areas that are specific to harbors and there are other areas of overlap than just docks. He said that this would be one of those issues that they will be having communications with the Assembly about per their earlier discussion. Ms. Hale agreed

with Mr. Ridgway that this is a tourism policy issue and exactly the kind of issues they were talking about. They are talking about using head tax and the North Douglas and whale watching issues which have come to the Assembly.

Mr. Etheridge said that this is still a long way off and they don't have any money to put to this project. He said they are currently looking at long term projects. He noted that the main push for N. Douglas is the launch ramp portion of this project for use by the locals. He said they don't have the money to do it at this point.

5. Docks & Harbors Annual Report to Assembly 2023

Chair Etheridge said that they did better than expected this year. They put a little money into the reserve funds and could be used towards projects coming up in the future. He said they did their fee increases and the Assembly has seen all the numbers in the Assembly Finance Committee meetings. The new rates for the coming years are at the back of the packet.

Mayor Weldon thanked the board for its annual report.

Ms. Hughes-Skandijs said that when she was the liaison, she watched them work through the process for the safety issues and she congratulated them for the installation of the rescue ladders and other safety features.

Mayor Weldon noted that at some point they need to ask Mr. Ridgway to come and do a presentation on the submarine. She said that if people aren't aware of it, they should reach out to Mr. Ridgway for more information.

D. PUBLIC PARTICIPATION

None.

F. SUPPLEMENTAL MATERIALS

Mr. Etheridge thanked the Assembly for making this happen and hoped for continued joint meetings in their future.

G. ADJOURNMENT

There being no further business to come before the body, the meeting adjourned at 7:19p.m.

Signed: _____
Elizabeth J. McEwen
Municipal Clerk

Signed: _____
Beth A. Weldon
Mayor