

**DOCKS & HARBORS
FINANCE SUB-COMMITTEE MEETING**

Wednesday, June 8th, 2022

- I. Call to Order** – June 8th, 2022 (following the 5:00 pm Special Board Meeting) in CBJ Room 224 and via Zoom.
- II. Roll Call** - The following member were in CBJ Room 224 or via Zoom:
David Larkin, Matthew Leither, Mark Ridgway, Bob Wostmann, and James Becker.

Absent: Lacey Derr and Don Etheridge

Also in attendance – Carl Uchytel – Port Director, Matthew Creswell - Harbormaster, and Teena Larson – Administrative Officer.

III. Approval of Agenda

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

Motion passed with no objection.

IV. Public Participation on Non-Agenda Items - None

V. Approval of Minutes.

Hearing no objection, the May 11th, 2022 Finance Sub-Committee meeting minutes were approved as presented.

VI. Items for Information/Discussion

1. Harbor Rate Study - Update Presentation by Port Director

Port Director Uchytel: Said that there is nothing new to report. He received the first draft of the harbor rate study from HDR and sent it back with a cover letter suggesting that it does not meet the spirit of the RFP; it lacks specificity and intellectual rigor. He will meet next week with the HDR team to express his dissatisfaction. When he gets a report that he is comfortable with, he will bring it to the committee.

Committee Discussion

Mr. Ridgway: Asked if Mr. Uchytel would like any involvement from Board members in the upcoming discussion with HDR?

Port Director Uchytel: Appreciates the offer, but doesn't think that's necessary.

Mr. Ridgway: Thanks Mr. Uchytel for sending the report back.

Mr. Wostmann: Thinks it's most appropriate for Mr. Uchytel to take the lead on this type of thing, since he is the 'external face'. If Board members are interested in the report status, or would like to review the draft, they should contact him.

2. FY22 Docks Enterprise - Supplemental Budget Administrative Action Presentation by Port Director

Port Director Uchytel: Refers the Board to p.10 of the meeting packet; two items of note were circled for discussion. He explained how he and Ms. Larson work to prepare the biennial budget (FY23-24) for review by the Board and Assembly. Included in the proposals are estimates of the two future fiscal year's expenses, along with the projected actuals for the current fiscal year. The Assembly has already approved the budget found on p.10.

While the projected actuals do not directly change the budget, which is still \$1.4 million. He explained that 'expenditures' is really 'authority to spend'. The projected actuals of \$1.6 million exceeds the \$1.4 million budgeted for FY22, but everyone is aware expenditures are higher than anticipated a year ago and that Docks & Harbors will need some additional funds in FY22. A supplemental appropriation is needed from the Assembly to amend the budget to match the actual expenditures and change the budget book. Also, investment and interest income was over-estimated as a result of losses in the stock market. CBJ portfolio managers had projected an increase of \$21,000 for the Docks Enterprise in FY22. Instead, changes in the stock market resulted in losses and will change that number to minus \$120,000.

It is easiest for the Finance Department to identify the precise amount of additional funding needed and generate a supplemental budget after the books are closed. At the end of the fiscal year – in August or September - he and Ms. Larson will work with the Finance Department to develop the proposed supplemental budget for the Board to recommend to the Assembly. He brought the information to the Board at this meeting for informational purposes and to let them know that this is something that will need to be addressed.

Public Comment – None

Committee Discussion

Mr. Wostmann: Questioned why the charges for services varies substantially more than the actual budget.

Mr. Uchytel: Said that one of the challenges of the pandemic has been estimating the number of cruise ships that will be in port; this varied substantially the last couple of seasons. Passenger number really don't impact the budget – it's mostly the length of ships and number of calls. When the first budget was drafted in 2021, they were expecting more cruise ships, but then Canada locked down and the numbers varied more than normal. He said they had to go to the Assembly about the budget several times because of this.

Mr. Larkin: Asks the Harbormaster how fuel prices are affecting the operations budget.

Harbormaster Creswell: Said he gets a monthly report about fuel usage, and while he has seen an increase in cost, it isn't to the extent that he is concerned about the budget.

3. Statter Harbor Seasonal Parking Management Policy Presentation by Harbormaster

Harbormaster Creswell: Refers the Board to p.11 of the meeting packet, which is the CBJ parking fee regulations (05 CBJAC 20.160). For Docks & Harbors, parking fees are primarily charged for lot management, people flow, and having room for the public to access our facilities – not to raise substantial amounts of revenue. The lots near Taku Smokeries and Statter Harbor are paid lots, which encourages turn over to help make sure that people coming to our facilities have somewhere to park.

He said a question was raised about Section 2 of the regulations. From May 1 to Sept 30 parking in Statter Harbor is \$1 per hour, or \$5 for a 24 hour period. People can pay in the office or through the kiosks in the parking lot. There is also a \$100 rate, based on a calendar month. The number of monthly permits is managed by the port director, or their representative, which is currently Mr. Creswell. This has been in place for many years. This year he set the maximum number of monthly passes at 35. Pre-COVID-19, we never sold out of the passes, so there wasn't much need to track them. This year, with the return of tourism and heavier use of the harbors, the cap was reached for the first time - in early May. He decided to leave the number as is, and asked Ms. Bruce at Statter Harbor to track people's reactions – were they happy or upset? He was told today that Statter Harbor has only received two complaints, and that most people are very happy that there is a limit on the number of monthly passes so there is space in the lot. Their primary concern is that if an unlimited number of passes are sold, people will just pay to keep their vehicles in the parking lot indefinitely. He is open to suggestions for changing the current policy.

Public Comment – None

Committee Discussion

Mr. Uchytel: Asked about the types of folks who may want to park vehicles long-term.

Mr. Creswell: Said there is a diverse mix – liveaboards who are there every day; those with cabins or houses on nearby islands who need somewhere to leave a car long term; tourism employees; commercial fishermen who ship cars up on the ferry and want to use them between fishing openings; tourism operators who buy passes for their crew members, etc. Today there were no open spots in the lower lot.

Mr. Ridgway: Asked how many spaces total?

Mr. Creswell: Doesn't know off hand.

Mr. Ridgway: Asked about using the trailer area to the north for parking, since it doesn't fill up as fast.

Mr. Creswell: Said on a nice day, all those spots are full and they also use the bus lot.

Mr. Leither: Appreciates this briefing being added to the agenda. His concern is that many people didn't realize there was a limit until it was reached, so he was surprised staff has only met with two or three frustrated people – he talked to at least five or six and wonders whether the sign on the door announcing that all the passes were taken might have discouraged people from talking to Ms. Bruce, since it was a done deal. He notes that the \$5 per day charge hasn't seemed to change the way people use the harbor, but those who liveaboard now pay an extra \$150-200 per summer. His concern is that it doesn't seem to be a fair system. Those who had the money to do so, and knew about the limit, bought up all the summer permits in the beginning. He thinks a better system would be to open up the system to those people who want to buy them. Or, get rid of the permits altogether and have everyone pay the same amount. Or, have a lottery and give out 20 permits a year and everyone can get in on the lottery. He also asked about using the 10 parking spaces by the retaining wall that say 'no parking'.

Mr. Creswell: Said that the 10 spots by the retaining wall are going to be transitioned to employee parking, which will open up 10 spaces by the blue building in the lower lot for paid parking. That will be happening very soon.

Mr. Leither: Said it was a shock to some people this year that they would have to spend extra money, and if that can be corrected he'd be all for it.

Mr. Creswell: Clarified that his pre-COVID monthly parking space limit was 20 and he increased it to 35 this year.

Mr. Ridgway: If there is overused, rare parking, he recommends finding ways to disincentivize long-term parking.

Mr. Creswell: There used to be an agreement with the university to use their lot for overflow parking; that agreement has ended. Then there was a deal with the school district – they used our lot for a part of the year and in return, allowed us to use theirs in the summer. The school's new director of facilities ended that agreement, so Mr. Creswell is working to build that bridge back up in hopes of making the space available again.

Mr. Wostmann: Said he understands and agrees with Mr. Leither's point about the need for rules to be equitable and is agreeable to a couple of the ideas presented, but questioned why we are discounting the space if it is in such short supply. He leans towards eliminating the monthly pass.

Mr. Ridgway: Asked if we have data to know if a vehicle has been there two weeks.

Mr. Creswell: Says they observe. There are a lot of vehicles and they don't sign in when they park, but they do notice if a vehicle hasn't been moved for a long time.

Mr. Ridgway: Notes that it isn't long-term parking and he doesn't think it should be, especially since there is such a volume of people coming and going.

Mr. Uchytel: Says that one of the options mentioned was throwing out the discount, but that requires a regulation change. He and the harbormaster have been talking about bringing something forward this month if the Board would prefer no discount.

Mr. Leither: Said the current rule allows the Port Director to set the number, which could be zero, so he questions whether or not an ordinance change is needed.

Mr. Uchytel: Says we can do that, but it could lead to someone claiming that we're being arbitrary and capricious.

Mr. Ridgeway: Encourages Mr. Uchytel to write something up and bring it to the Operations Committee. Agrees with the chair that maybe there's something between 35 and zero. Clarified they aren't talking about revoking permits issued this year.

Mr. Uchytel: Ms. Larson and Mr. Creswell have been trying to find parking for port staff. The parking garages downtown oversell permits, so you need to get them early when they are available. We are at the whim of those facility managers.

Mr. Uchytel: Said there were so many new port employees that they wouldn't fulfill our request for the parking garage, so we had to think outside the box and find a new solution.

Mr. Leither: Said everyone should know they need to sign up on time and then it's their responsibility, but this year was different, because nobody knew. He wasn't aware that there was a limit and found out the passes were already sold out on the first day he thought he could buy one. He is concerned that the people who missed out didn't even know they were competing.

Mr. Wostmann: Said he supports a lottery or some other fair system to level the playing field. He is open to staff ideas about the best way to manage the parking lot.

Mr. Creswell: Said the easiest, best, most fair way is one fee for parking. Then there are lottery systems, or requiring a boat already be in the harbor – lots of options.

Mr. Leither: Wonders if the area where the busses park could be partitioned off for extra parking – it appears to him that it's rarely full.

Mr. Creswell: Said it was full yesterday and the buses need room to turn and maneuver, so the spaces are strategically placed to accommodate that. If vehicle spaces were added there we'd lose surge boat, truck and trailer parking for the busy weekends. He isn't in position this season to change how he's running that lot. Next year, if things go as planned, the area will be redesigned and built for a different purpose.

Mr. Leither: The bus unloading process is pretty well choreographed, but he wonders if there has been any thought to the busses dropping off people and going to wait at the Auke Bay Elementary parking lot, so the current spaces could be used for parking.

Mr. Creswell: In the past, everything happened in the same area and busses couldn't wait, so they were driving around town burning diesel fuel and 'loitering'; Auke Bay Elementary was only available for two and a half months of the summer. They are in the design phase for the new bus lot, which will be based on current use. Feedback from the public is that everybody is very happy that there are now three segregated portions of Statter Harbor; there's a place for buses, cars, and trucks and trailers. They've worked hard to get that far and he would prefer not to go back on that progress and see buses needlessly back on the road.

Mr. Becker: In 1952 he lived in Auke Bay and there was lots of parking at the harbor...says finding solutions to the issues now is going to take a lot of talking.

Mr. Uchytel: Said we have good relations with UAS from past projects, but the university just isn't interested in dealing with parking anymore.

Mr. Wostmann: Said they'll leave it with staff to give it some more thought and Mr. Creswell can come back to us with proposals.

Mr. Leither: Asked if the fee discussion will go to Operations Committee and wonders whether or not to make a motion.

Mr. Wostmann: His thought is that the Board has had a discussion and is putting it back in staff's court to come back to a future meeting with suggestions. He thinks we're committed for this season, but could develop some options for discussion at a future finance or operations committee meeting.

Mr. Leither: His only concern about timelines is the people who unexpectedly had to pay an extra \$200 this year; he wonders what the board would say about giving them some relief. If there is a way to help these folks he would be in favor, with the understanding that it won't be a 'thing' next year.

Mr. Ridgway: He agrees with Mr. Leither, because it just wasn't fair. He would like to know more about communication - how were the permits advertised?

Mr. Creswell: He spoke to two people who expressed concern and is accommodating their special requests and is willing to work with folks. As far as advertising, this is a problem that we've never had before - no one anticipated that these permits would be bought up for the whole summer. He wasn't sure exactly why that changed, but there was a rush on permits - people know permitting starts May 1 and were ready for it.

Mr. Ridgway: Glad Mr. Creswell is working with people, which he thought sort of addresses what Mr. Leither was saying, but thinks it should be a standing announcement on the website.

Mr. Leither: Asked if he can refer people to Mr. Creswell if they have concerns, since he has already made accommodations for some patrons.

Mr. Creswell: Said that is absolutely fine, but cautions that decisions will be made on a case by case basis. He does not foresee reimbursing folks just because they don't want to pay, but is always willing to work with people who have a valid reason.

Mr. Uchytel: Thinks these permits are highly sought after and nothing was done in secret. Last year there were 20 permits and we didn't sell out- this year there were 35 and they sold out immediately. Doesn't know what obligation docks and harbors has to provide special notification. Maybe we could have done things better, but he doesn't think anything was done wrong.

VII. Next Meeting – June 21st, 2022 @ 5:00pm

VIII. Adjournment – meeting adjourned at 6:48pm