



# DOCKS AND HARBORS OPERATIONS MEETING MINUTES

October 19, 2023 at 5:00 PM

City Hall Conf. Room 224/Zoom Meeting

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**A. CALL TO ORDER:** Mr. Ridgway called the meeting to order at 5:00 pm in CBJ Room 224 & Via Zoom

**B. ROLL CALL**

In attendance in-person or via Zoom: Paul Grant, Debbie Hart, Matthew Leither, Mark Ridgway, Annette Smith, Shem Sooter, Don Etheridge

Absent: James Becker, Albert Wall

Also in attendance: Carl Uchtyl – Port Director, Jeremy Norbryhn – Deputy Harbormaster, Scott Hinton – Port Operations Supervisor, Teena Larson – Administrative Officer, Emily Wright – CBJ Law, and Leah Narum – Administrative Assistant

**C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES**

Mr. Uchtyl said that in addition to a Special Order of Business being added after Public Participation, the Sub-Committee Request: City Community Dock Opportunities was moved from Unfinished Business to Items for Information as established in a prior board meeting.

Mr. Ridgway said that New Business items 5 and 6 will be combined into one item.

Mr. Uchtyl added that earlier iterations of the agenda included an update on Marine Exchange of Alaska P3 but that rendering drawing was not available. Other additions for Information Items will include Mr. Uchtyl discussing the MXAK P3 during staff report; and Mr. Grant and Ms. Wright will discuss updates from Law Department regarding ByLaws amendment.

**MOTION BY MR. ETHERIDGE TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.**

Motion passes with no objection.

**D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None

**E. SPECIAL ORDER OF BUSINESS**

Mr. Uchtyl presented Leah Narum with a citation, plaque, and check naming her CBJ D&H Employee of the Quarter for the third quarter of 2023. He read highlights of her accomplishments as an Admin Assistant at Statter Harbor.

**F. APPROVAL OF MINUTES**

1. September 20th, 2023, minutes – Hearing no objection, the minutes were approved as presented.

**G. UNFINISHED BUSINESS**

2. Title 85 Proposed Changes

Mr. Uchtyl discussed the latest iteration of code changes by the City Manager, noting that the City Manager Rorie Watt left his position on September 29 and was drafting language on his last day. The new language on pg. 16, sub-paragraph (a)(2) was added in the last hour of Mr. Watt's last day. Mr. Uchtyl said this is an opportunity to thoughtfully consider how the Board wants to communicate with the City Manager's office and the Assembly in the future. In reference to the new language in (a)(1) on pg. 16, he said that code dictating the Board not to do something is unusual, rate setting requires Assembly approval, and Docks & Harbors does not do scheduling. He pointed out the volume of tour operations using Statter Harbor and said he wonders how that would fit in with this new language

directing the Board not to be responsible for “issues related to the interface between industry and citizens of Juneau, including the impacts of tours”. Regarding the addition of sub-paragraph, (a)(2) he said he believes that Mr. Watt was suggesting that the Docks Enterprise budget (not both Docks and Harbors budgets) be submitted to the Tourism Manager. Mr. Uchytel said the current budget approval process essentially already does this.

On Page 18, Mr. Uchytel said it seems odd to strike the paragraph here regarding limitation on authority and it is unclear why this change was made. Referencing page 19, Mr. Uchytel said the stipulation in sub-paragraph (a)(9) seems unnecessary to add as it is already implied in the regulations as they are. He added that many of these additions seem unnecessary in his opinion.

#### Committee Questions

Mr. Ridgway asked if the discussion at the September Operations meeting regarding regulation changes made it to the City Manager before he left, such as the discussion about buses at Statter Harbor. He wanted to know where these discussions and changes leave things?

Mr. Uchytel said besides the 30-minute board meeting on 9/28, there was no other meeting with the City Manager to ask what these changes would mean.

Mr. Grant asked if there has been any contact with the new City Manager, Katie Koester.

Mr. Uchytel said he has a meeting with Ms. Koester the following day and will ask about these changes.

Ms. Hart asked for help understanding this process. She asked if these changes proposed by the previous City Manager need the Ops Committee recommendation tonight and this will not go to the Board but to the assembly next for approval?

Mr. Uchytel said the City Manager working with the Assembly can do what they want, whenever they want regarding the timing of these changes, but he believes this is not the top priority of the new City Manager.

Ms. Hart asked for clarification about what the next move is? Is it to write a response to these changes that can go to the Assembly when these changes are brought to them?

Mr. Uchytel said he is looking for direction on this process from the Board, there are many ways forward.

Mr. Ridgway said regarding the deletion of “limitation of authority” and addition of sub-paragraph (9), he interpreted the City Manager saying the process the Board goes through to commit CBJ to long range port development or capital improvement plan projects are only as authorized. Is it possible the new language was meant to be interpreted as Docks and Harbors should proceed with their CIPs without seeking Assembly approval, *except* where it affects the cruise ship industry? Mr. Ridgway said he sees this new language as a change that allows the Board to forgo Assembly approval for CIPs that do not affect the cruise ships.

Mr. Uchytel said there is a CBJ process in place for CIPs that is not different for Docks and Harbors or other departments. He said that the premise of Mr. Watt’s changes, to be blunt, was that Mr. Watt wanted less input and action from the Docks & Harbors Board on cruise ship-related issues. Mr. Uchytel repeated that as most of the Boards actions go through the Assembly anyway, he does not see the need for any of these changes and there could be harm come from these changes.

Mr. Grant said at the last meeting he tried to break down (a)(1) into manageable parts. He does not think the changes achieve anything helpful.

Mr. Leither asked how changes to (a)(2) would change what the Board does. He said it sounds like the Board already does this.

Mr. Uchytel said he believes the intent was to have the Board go through the Tourism Manager for Port related things, although that is not exactly what the language says.

Public Comment

**James Bibb, Juneau, AK - Representing Juneau Yacht Club (JYC)**

Mr. Bibb said JYC wants to know more about these proposed regulation changes and wants D&H to remain a separate entity and supports things remaining as they are currently.

Committee Discussion/Action

Ms. Smith said it is unclear what Mr. Watt was trying to achieve. Her thoughts on these items are, why can't the board set rates if they are the ones familiar with the issues, saying the Board can't make any limits or policy issues on cruise ships, that is up to CBJ. She said these changes are unnecessary. Docks & Harbors just operates and manages the docks. She does not know why the Board would be taking direction from the Tourism Manager and not the Assembly.

Ms. Hart said she has a lot of concerns that these changes will hinder the Board, the Port Director, and staff from being able to do their work. She gave an analogy - what if the Assembly decided to give all the operational tasks and day-to-day management of the Eaglecrest gondola to an entity outside of the Eaglecrest management and Board? That seems ridiculous. A sub-committee on this issue would be a benefit. Boards exist because you need a forum to engage the public and execute your responsibilities, which in this case is to operate D&H smoothly given community needs, existing resources, and all the different community groups. She thinks separating the Board and the Port Director from the Docks would be a disservice to the community, the Cruise Industry, and the Assembly, and it breaks down the process of what the Board is for.

**MOTION BY MR. GRANT: TO TABLE THIS ITEM WITHOUT UNANIMOUS CONSENT.**

**Motion seconded by Ms. Smith.**

**Objection by Mr. Ridgway** - for purposes of further discussion.

Mr. Grant said his intention in moving to table without unanimous consent was to allow discussion. This item has come up for discussion 3-4 times and we seem to agree that the changes do not make sense and will not be helpful, so he is asking to table this until someone from the administration can come to the Board to explain what the goal is.

Dr. Leither said he agrees with Mr. Grant but he is concerned that the Ops Committee won't be asked to take this issue up again and a decision will be made without the Board's input. What if instead of continuing to workshop the proposed language, there is a letter drafted to the City's Manager's office explaining the Committee's concerns about the changes?

Mr. Ridgway spoke to his objection to the motion on the table. He said Mr. Watt would not have made these changes for no reason, but that he (Mr. Ridgway) does not know what those reasons are. He does not want the Assembly to take this up without input from the Board because he also thinks the changes

may be detrimental, so he would like to ask the City Manager's office what outcome they are trying to achieve? Speaking to Ms. Smith's comments, he said the Board does make decisions that affect tourism such as the improvements made at Statter Harbor affecting whale watching tours was a decision that went through the Board. He said he does not think the Board can claim their decisions do not have an impact on cruise ship tourism. He thinks Mr. Watt was trying to separate out what the tourism manager can do vs. what the Board can do and that it is a tricky issue. Rather than tabling this issue, it would be better to direct staff to author communication back to the new City Manager to say we don't know what the goal is, but this threatens the Board's relationship with its user groups.

Mr. Etheridge said he agrees with Mr. Ridgway. They need to address it, he likes the idea of having staff send communication asking for clarification on the intentions of the changes.

Mr. Leither asked if anyone knows how low of a priority this might be for the new City Manager.

Mr. Etheridge said he knows that there are Assembly members who support Mr. Watt's actions in this. Without mentioning names, he knows there are Assembly members that want more control over the tourism and think these changes will help with that.

Ms. Smith said she is confused because in her time on the Board, the Board has never had control over tourists or number of tourists.

Mr. Ridgway said he agrees.

Mr. Leither said he also agrees.

Mr. Ridgway said he does not share Mr. Uchtyl's outlook entirely on this issue. The City Manager is trying to manage the city, and this is a part of it. Maritime issues are part of the issues of managing the town. He doesn't know if this is the best way to do it or what the objective is, but he would like to think Mr. Watt's changes are intended for the betterment of Juneau not just a slap in the face to the Docks & Harbors Board. He has questions about what outcome the City Manager's office desires.

Ms. Hart said she appreciates the discussion and likes the idea of having a letter sent to the Assembly articulating the concerns of the Board. She said she understands why Mr. Grant moved to table this item but would like to respectfully ask him to remove or amend the motion.

Mr. Grant said he is convinced now that it would not be good to allow the changes to go before the Assembly as is.

Mr. Grant asked permission to withdraw his motion to table. Until the committee understands what the administration is trying to accomplish, the committee is kind of stuck, and he will leave it to someone else to move to draft communication to the Assembly expressing confusion about the objective of these changes and concerns with the wording.

Mr. Ridgway said he would be willing to work with Mr. Etheridge to try to reflect those sentiments in correspondence to the new City Manager. We have discussed this several times and would like to discuss what the administration would like to accomplish.

Mr. Grant said this would be a more useful discussion if they had a new Board liaison to the assembly.

Mr. Sooter asked if it would be appropriate to try to bring the Tourism Manager into the discussions?

Mr. Ridgway said someone can make a motion to write a letter with everyone's input to come before the full Board or just write a letter to be approved at the next Board meeting or something.

**MOTION by MR. ETHERIDGE TO DIRECT STAFF TO DRAFT CORRESPONDENCE TO THE ASSEMBLY AND THE CITY MANAGER CONSISTENT WITH COMMITTEE DISCUSSION AND ASK UNANIMOUS CONSENT.**

**Objection by Mr. Ridgway** - for purposes of discussion to say he believes it would be encompassed in Mr. Etheridge's motion that each of the committee members could have the chance to ask additional questions that have not come up yet in the minutes if necessary.

**Objection removed by Mr. Ridgway.**

**Objection by Ms. Smith** - for the purposes of discussion. She said she would like to see the letter address each proposed change and state the issues the Board has been discussing.

**Objection removed by Ms. Smith.**

**Hearing no further objection, the motion passes.**

Ms. Hart said the changes talked about the rate setting. We just set rates that will not take effect on the Docks until January 1st. She would like to ask if the Assembly was to approve the regulation changes, how would it impact the coming 9% rate increase.

**Mr. Ridgway recommended to send all comments to Mr. Uchytel.**

4. Downtown Safety Railing – Funds Transfer Request  
Presentation by Port Director

Mr. Uchytel said on page 22 in the packet is a letter from the Board to the Assembly regarding the downtown safety railing. The Assembly did not respond. Mr. Uchytel is asking the Board for direction to move forward on the safety railing by working with Engineering to do a current year CIP for \$500,000 or whatever amount the Board chooses. He noted that the budget is stronger now than thought it would be in July.

Committee Questions

Mr. Ridgway asked how one would know from the letter that the railing would not be visually offensive.

Mr. Uchytel responded that there is wording in the letter specifying that the railing will be visually pleasant.

Mr. Leither asked if we need Assembly approval to start this process.

Mr. Uchytel said the Assembly has financial responsibility so they would have to approve the money transfer. If the CIP was approved the assumption is that the funds will also be approved.

Mr. Leither asked should we just directly request the money from the Assembly Finance Committee, or do we have to go through something to get to that point?

Mr. Uchytel said the process, as told by the Engineering Director, was to take this to Public Works and Facilities Committee and then work with the Finance Department to draft a funds transfer to the CIP project. Any money transfer will require Assembly permission.

Mr. Leither said he is asking because if the Assembly did not respond to the last letter why are we sending another one.

Mr. Uchytel said the last letter didn't specifically ask for a response but this next document for Public Works and Facilities would be specifically putting a request for action to the PWFC.

Mr. Grant asked if we need the approval of PWFC to move forward, and is there a different amount being proposed from the initial \$500,000?

Mr. Uchytel said yes, if PWFC thinks it is a bad idea it will not go forward. He asked Ms. Wright to confirm if this is true. He said staff thinks this is a \$2 million project and we have more in the fund balance now than we thought in July. This does qualify for Marine Passenger Fee funds.

Ms. Wright said legally there is nothing to prohibit the Assembly approving something that was disapproved by a committee, it is more of a practical issue if that ever happened.

Ms. Hart asked if it would be helpful to approach PWFC or Assembly and did a presentation on benefits of the railing project to raise priority level and use it as a chance to meet new Assembly members.

Mr. Uchytel said we have not had a joint meeting with the Assembly since 2019. Yes, we should be meeting with the Assembly, but it has not happened for unknown reasons. He recommended that the Board push for a joint meeting with the Assembly for many reasons, but for the issue of the safety railing, this should not be a hard sell and the details will be included in the request to PWFC.

Mr. Leither asked if the \$500,000 will buy us a completed fence, a certain number of feet, or the whole project?

Mr. Uchytel said the design and specifications are done. We need to outsource some CAD services. This number was based on the cost of fencing from a previous project, and it is a conservative estimate based on linear feet needed.

Public Comment: None

Committee Discussion/Action

Mr. Ridgway said he recalls when this was brought to the board over two years ago. The Assembly declined requested funds over concerns from Assembly members about access to the water and aesthetic value. He strongly suggests to include a drawing to help people visualize the final product to address those types of concerns.

**MOTION By MR. ETHERIDGE: TO COMMENCE PROCESS TO CREATE CAPITAL IMPROVEMENT PROJECT (CIP) AND TRANSFER \$500,000 FROM THE DOCKS FUND BALANCE AND ASK UNANIMOUS CONSENT.**

**Ms. Smith objected.**

**Roll Call Vote**

Paul Grant - Yes

Debbie Hart – Yes

Matthew Leither – Yes

Mark Ridgway – Yes

Annette Smith – No

Shem Sooter – Yes

Don Etheridge – Yes

**Motion Passed.**

**H. NEW BUSINESS**

**4. Resolution 3045 in Support of full funding ADOT Harbor Facility Grant**

Mr. Uchytel said Resolution 3045 and 3046 are initiated from the AAHPA that met in Ketchikan the last week of September. Resolution 3045 is the one the Board seen and has been recommending since 2006. There are two applicants this year for the Tier II grant. It is Juneau (Aurora Harbor) for \$5M and Sitka for \$2.6M. Mr. Uchytel said he is hopeful that the Legislators and Governor will sign off on it. This grant is very advantageous to us. He said he did receive word from ADOT that they did approve our waiver request to be able to apply for this grant. We would not have been eligible due to not having the current grant closed out on the same facility.

Mr. Etheridge commented that this will be the only action tonight for both of these Resolutions before going to the Assembly.

Committee Questions

Mr. Leither asked if this is sent to the Legislature after the Assembly?

Mr. Uchytel said his plan is to meet with Senator Kiel and ask if he would sponsor the language for Resolution 3046. The AAHPA has a Legislature fly in every February and they will lobby for Harbor interests.

Public Comment – None

Committee Discussion/Action -

**MOTION By MR. ETHERIDGE: TO RECOMMEND THE ASSEMBLY ADOPT RESOLUTION 3045 AND RESOLUTION 3046 AND ASK UNANIMOUS CONSENT.**

**Motion passed with no objection.**

**5. Resolution 3046 in support of increasing maximum ADOT Harbor Facility Grant from \$5M to \$7.5M per applicant**

Mr. Uchytel said this grant is something he drafted and is really trying to keep the Municipal Harbor Grant reset to the CPI. It was set in 2006 to limit the amount of maximum award to a municipality to \$5M per fiscal year and applying the CPI to current day it would be \$7.5M. This does not affect our application for Aurora Harbor. He wanted to push this through AAHPA because someday there may be an opportunity to use this program for match for the Statter Harbor Breakwater as well as the North Douglas Launch Ramp. Having it increased a bit would benefit us in the future.

Committee Questions

Mr. Grant asked if the increase to \$7.5M is just to account for CPI?

Mr. Uchytel said we also know that projects have escalated above CPI. He said this could take several sessions to get passed.

Public Comment - None

Committee Discussion/Action

**MOTION MADE WITH RESOLUTION 3045.**

6. Calendar Year 2024 Board Schedule

Mr. Uchytel said on page 29 in the packet is a proposed D & H Board meeting calendar. This is the time to let staff know of any and all changes including dates and times.

Committee Questions - None

Public Comment - None

Committee Discussion/Action

**MOTION By MR. ETHERIDGE: TO RECOMMEND TO MOVE THE PROPOSED BOARD 2024 SCHEDULE TO THE NEXT FULL BOARD MEETING AND ASK UNANIMOUS CONSENT.**

**Motion passed with no objection.**

**I. ITEMS FOR INFORMATION/DISCUSSION**

7. Sub-Committee Request: City Community Dock Opportunities

Ms. Hart said her interpretation of what the Board role is that part of our mission is to be a conduit to the public, users, industry that uses our resources, tool of the Assembly, and other facility type of organizations within the CBJ family. With that, we are in a unique place to create a sub-committee to discuss the downtown community dock opportunities that does not only exist to the cruise industry but the larger public. There are also other types of users, recreational, divers, swimmers, and the removed lightering dock. She believes there are a lot of reasons to create this sub-committee with providing an opportunity to hear from the public about their interests and needs for downtown. There are changes to title 85 and confusion with the changes so there may be an opportunity with this sub-committee to provide clarification. She said she loves the idea to have the Tourism Manager engaged. There are other entities overseeing the downtown corridor and it would be a great time to bring them together to share ideas. Ms. Hart went over a three slide power point presentation. She said the Board is under the direction from the CBJ Assembly and they can use the Board as a tool and provide guidance under title 85. A large benefit with that is that the Board can create a forum for public interaction and engagement and that is where this sub-committee would come in. With the concept of equilibrium in regards to the downtown corridor, there are people that are really happy with the way things are moving and there are people that are kind of unhappy. There are a full range of thoughts and currently we do not have an existing forum of a productive dialog happening and this is where the Docks & Harbors Board could serve our community really well. She went on to explain the productive zone of the equilibrium. In order for people to engage and come up with creative solutions, they have to be engaged and unfortunately some people will not engage until they are slightly irritated. When they are slightly irritated they will start to engage and read stuff in the newspaper, research things, talk to their neighbors, walk the docks, write notes, and talk to their friends. But if someone is irritated too much, they will be upset, write not pleasant notes, and they will not engage. The full concept it trying to keep people in the productive zone so you can get to the point of making incredible solutions and can bring the heat down on a sensitive topic. With this sub-committee proposal the Board has the opportunity to create this productive zone to finding solutions to some downtown issues. The idea initially for this sub-committee is to come up with some data points, information, engage a diverse set of stake holders to review the information and have a facilitated discussion on what the interests downtown are. She would like to see a lot of ideas and go through a process for exploring the pros and cons of those ideas.

Committee Questions



Ms. Smith questioned Ms. Hart's proposal of only talking about access to the downtown corridor in the spring, summer, and fall, but why not year-round. The people she talks to uses the downtown corridor year-round.

Ms. Hart said she would be happy to amend that to include year-round.

Mr. Grant said this is a broad-based planning effort and is called into question with some of the proposed amendments to our authorizing statute. Looking at our by-laws, it says a special committee will serve for a period of time or for the accomplishment of a specific task as determined by the Chair. No sub-committee will serve beyond the annual Board meeting unless reconstituted by the newly elected Chair. He said he is all about thinking about things in a broad sense, but under our by-laws structure a special committee is designed to accomplish a specific task within a limited amount of time. He asked Ms. Hart what she envisioned to be the specific task for the sub-committee to accomplish. Will it be a report at the end, or will this be an endless planning discussion?

Ms. Hart said the direction for the sub-committee could have some sideboards added to it. She is cautious having the direction too narrow is that it might stifle some of the creative opportunity of the initial part of the planning engagement. She would be happy with some initial suggestions on deliverables and time frames for this sub-committee.

Mr. Ridgway commented that the initial sub-committee forum could be to look at opportunity and come back with recommendations and then the recommendations would mold the sub-committee into following up on those recommendations.

Mr. Leither said his concern is we are in the midst of some people on the Assembly trying to reduce the Boards role in this area but now at the same time trying to engage stakeholders and bring people together in this huge effort and he believes we are already above the angry zone. To poke that hornets' nest makes him nervous. His frustration in his own career is when people want him to do something and he is not able to do them and it gets him above the equilibrium right away. He said we could come up with great ideas but then the Assembly could tell us we should not have been coming up with those great ideas and that would make people more angry than when they started.

Mr. Ridgway said he would be acceptable to more discussion at the Operations Committee to work more on this topic and provide input.

Mr. Grant suggested to think of a project that is of concern to all of us that has enough moving parts that this sub- committee could dig into. An example would be the (removed) lightering dock and see what comes from that.

It was noted that this sub-committee of one can meet one on one with other Board members.

Public Comment - None

**8. Channel Drive Property for Sale on Docks & Harbors Leased Property**

Mr. Uchytel said on page 32 in the packet shows the lease property and the parcel is owned by Docks & Harbors. It is leased to Shayne Thompson who owns Angoon Trading company. He pays \$11,448 annually and he is currently selling his business which includes the building. The provision in his lease allows him to assign the lease to anyone. His lease area is about 0.4 of an acre of uplands. There is a warehouse that is 3600 sq/ft with an upstairs office and access to the waterfront. Latitude 58 is the realtor for this property and the asking price is \$865,000. The assessed value is \$404,000. This is being brought forward with the thought the Board may want to look at this with the potential for a boat yard haul out facility. The next two lots are .92 acres and are leased to DJG for \$6419 for both the lots. The

parcel nearest Angoon Trading is about 10' above mean high water and a lot of the area is not useable and would take some development. The other lot is more level with the driveway. The next two lots past DJG are Trucano Construction facilities. After Trucano is Chum Fun who operates a tour company that offers fishing expeditions. The property to the north is owned by Tlingit and Haida and has a construction company operating out of that building.

**Committee Discussion**

Mr. Grant asked what the next building to the north was?

Mr. Uchtyl said that is Western Marine Construction.

Ms. Hart said this is a great opportunity to look at this area for a replacement for the Fisheries Terminal.

Mr. Uchtyl commented that this is not a lot of property and there could be a lot of money for fill. There could be potentially more space than what Mr. Duvernay currently has. We also still have the \$2M from the Assembly for the UAS property purchase that we have not touched. Even if the Board thought this was a good idea, there are other projects needing funding and he does not believe we are financially in a position to pay the asking price.

Mr. Grant asked if the building was useful to Docks & Harbors for any other purpose?

Mr. Uchtyl said he does not believe we have needs for a warehouse facility.

Ms. Smith asked with looking at the marine charts in this lease area she was wondering if there is enough water for this area to be viable for a haul out facility?

Mr. Uchtyl said he did not look at the depths.

Mr. Ridgway said it varies.

Mr. Grant asked if we wanted to get a sizeable place for a boat yard and with the condition of the two DJG lots, could the City condemn those lots for the purposes of a boat yard?

Ms. Wright said that could be a pathway because of the public purpose at least enough to start in that direction. She would need to look at this further to advise if this would be successful.

Mr. Leither asked what would need to be condemned?

Mr. Grant said the lease holds interest in property that would be subject to condemnation. Because there is no development it may not be that expensive.

Mr. Uchtyl said those two lots have been appraised recently and it is around \$3200 per lease per year so it is not very much. He suggested to cancel the lease and state there is better marine development need than how it is being used currently.

Mr. Ridgway said the property is for sale and we own it. He will say he has a concern that we have a lot of lease property and he is not sure we have enough staffing to manage the portfolio that we have. Who would own the building and improvements on this lease if they walk out of their lease? Are they suppose to remove the building and fix the breakwater? The best resource for the lease properties is Teena. How much potential liability is out there on these leases. Are the leases paying the right amounts. There is a good process using our term contractor Horan & Company to appraise our leases. Wholistically looking at our portfolio, he may in the future suggest to carve some money out to have

good people look at our portfolio and see if there is any room for improvement in the management of our overall portfolio. Inclusive of knowing that we need a place for a boat yard. He said the last one he looked at the property leased to the Smith Brothers. He said he was surprised to know that was our property leased to the Smith Brothers and that property could potentially be used as a boat yard. Mr. Ridgway asked if the property for sale has the legal right to reassign the lease without Board consent?

Mr. Uchytel said originally this was a 55 year lease assigned to us in 2001 from the State. We continue to follow that State lease language until it expires and then if they want to re-lease it, we work with CBJ Law to start a new CBJ lease. There are provisions to assign that lease to someone else. Sometimes it might say with Board approval or no caveat.

Mr. Ridgway recalled at least one lease needed Board approval before the lease was reassigned.

Mr. Grant asked if the property for sale is still operating under the original State Lease? He has seen several state leases that say assignment of a lease is subject to approval by the state. If those terms are still in place it would give us some negotiating leverage over the price of the property. He would like to know if the assignability is subject to those conditions.

Public Comment - None

**9. Docks & Harbors Board By-Laws - Proposed Update**

Mr. Grant said on page 37 in the packet are our by-laws. He provided a brief history on how he became involved with this process. In terms of meetings, the changes start on paragraph twelve. He went through the by-laws and talked about the changes and why they were changed.

**Committee Discussion**

Ms. Smith asked if we are down to one Committee that everyone is a member of, why can't it just be a regular Board meeting. Why do we need to visit everything twice when everyone is a member of the only committee there is.

Mr. Grant said as a practical matter, things are assigned to the Operations committee that may need work to refine it and get it ready for the full Board. He believes this is a workable way to do things.

Mr. Ridgway said at the Operations meeting there is more discussion on a topic and at the Board level there is a motion and move it along. He sees a purpose for a committee meeting.

Ms. Wright said with the Assembly the Committee of the Whole is where they have their debates and discussion and things are moved around more easily. The Board could shift to just having one meeting if the Board wanted to. Regarding the change for removing a member, it can be the Board recommendation to remove a member but the final decision is with the Assembly. If the Board wants this changed, she can do that and bring it back to the next meeting.

Mr. Ridgway recommended to add the process to remove a member to make it more clear.

Mr. Grant wanted to point out there is a small change in the quorum on page 40 paragraph six. The full Board quorum has not changed but the Committee meetings has changed to adding the wording 50% plus one makes a quorum.

Mr. Ridgway said it really does not work when you have an odd number of members. He believes there may be a better wording.

Mr. Grant said he would think about that further.

Mr. Uchtyl said we have been using the term Sub-Committee but should be Special Committee. He also said there is a term ratification in there and questioned why?

Ms. Wright said she would look into that.

Public Comment - None

**J. STAFF AND MEMBER REPORTS**

Mr. Scott Hinton commented that we are almost to the end of the Cruise Ship season. Two more boats left for this year.

Mr. Uchtyl said there is the Assembly meeting on Monday and that will be the first meeting for the new City Manager. The Assembly will see the two resolutions and the 9% increase as well as Assembly assignments. He mentioned that he thought the Marine Exchange would have the renderings/drawings for this meeting but they were not able to get those finished. The Board has heard staff is serious about moving forward and the next steps would be an MOA for the public/private partnership. This is when public and private owner get together and jointly develop something; typically, the public side provides land and the private side brings money/finances. Marine Exchange is looking to expand their footprint in the Aurora/Harris area and has not been able to find land. There is potential space available on the South side of the Aurora Basin (Aurora Harbor Office). This is the potential for a P3. This will need to be all negotiated but the Marine Exchange would be willing to build a building that our staff would occupy for the Aurora Harbor Office for the right to use the property jointly with Docks & Harbors.

Mr. Uchtyl provided the Engineer's Report –

- Secon is finishing a RAP (Recycled Asphalt Product) project at the Douglas Harbor Parking lot.
- Staff entered into an agreement for Douglas parking lot lights with Alaska Electric. They should be installed by the end of January.
- Harris Harbor Security gate contract has been executed with Mantle Industries and Carver Construction will install the gate. Docks & Harbors will work on the controls, lighting, and key fob.
- Staff is executing a contract with Carver to install epoxy on the Statter Harbor Restroom concrete floors.
- Our Administrative Supervisor has resigned effective November 3<sup>rd</sup>. This is being advertised.
- Staff has entered into a repair contract for the Travel Lift. This is owned by UAS and leased to Harri's Commercial Marine.
- Bayhouse Properties is proposing to build condos near Statter Harbor, Mitch Falk got a conditional use permit application in that he was denied and he appealed it. He has worked out an agreement with CDD to remove his appeal and proceed with a new conditional use design.
- The Hansen & Gress purchase and sales agreement is still pending after several months. It is at DNR currently.

Mr. Sooter asked where we are with the breakwater?

Mr. Uchtyl said he entered into an agreement with PND Engineers to provide a report by mid December. We had Global Diving swim the float and they reported it is in excellent shape.

**K. COMMITTEE ADMINISTRATIVE MATTERS**

Next Operations Meeting - Wednesday, November 15th, 2023

**L. ADJOURNMENT – The meeting adjourned at 7:41pm.**