

# MEMORANDUM

CITY/BOROUGH OF JUNEAU

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DATE: March 1, 2010

TO: Assembly Finance Committee

FROM: Rod Swope  
City & Borough Manager

SUBJECT: FY11 Passenger Fee Proceeds Recommendations

Based on our latest projections, the amount of revenue available in FY11 is anticipated to be \$4,275,000.

Based on the requests received to date, I am recommending that the proceeds be divided between operations and capital projects as follows:

## **OPERATIONS**

### **General Support**

#### ***Project Description***

On May 10, 2000 the Assembly Finance Committee approved a formula that reflects cruise ship passenger impacts on general government services and is used to determine an amount of marine passenger fee (MPF) proceeds to be used in support of general government operations. Further, in 2003 a full cost analysis, audited by the North West CruiseShip Association, was done to determine whether this formula provided a fair and accurate assessment of costs. **\$1,400,000**

### **Capital City Fire/Rescue (CCFR) Air Medevac Support**

#### ***Project Description***

This funding is an offset for unrecoverable costs incurred by the fire department for the air medevac program in response to medical events involving cruise ship passengers or crew. This past year, 50% of air medevacs were in response to situations involving cruise ship passengers or crew. On average, CCFR only recovers 36% of the total costs from patient billings. **\$27,000**

### **Non-Profit Air Medevac Support**

#### ***Project Description***

Airlift Northwest, a non-profit ambulance transport service, was founded in 1983 to provide air ambulance service to Southeast Alaska. During the cruise ship season, 35% of the air medevac flights from Juneau are to transport cruise ship passengers for medical services unavailable at Bartlett Regional Hospital. According to Airlift Northwest, the amount of unrecoverable costs related to transport of cruise ship passengers or crew from Juneau this past year was \$114,833. **\$50,000**

### **Bartlett Regional Hospital Support**

#### ***Project Description***

For the past three fiscal years, cruise ship passengers have accounted for an annual average 4.5% of Bartlett Regional Hospital's patients (inpatients and outpatients). The hospital bad debt incurred from cruise ship passengers and crew for this past year was \$29,632. **\$29,632**

### **Tourism Best Management Practices Support**

#### ***Project Description***

This provides funding for printing, public notices, advertisements, and a contractual amount for Juneau Convention and Visitors Bureau (JCVB) staff to provide support to the Tourism Best Management Practices (TBMP) effort. TBMP is a voluntary industry-managed program designed to provide service to vessel passengers and address impacts, including safety issues, of tourism on local residents. The JCVB administers the program with funding provided by Marine Passenger Fee proceeds. **\$12,000**

### **Crossing Guards**

#### ***Project Description***

The purpose of this program is to facilitate safe traffic flow in the downtown area, encourage pedestrians to stay on the sidewalks, increase pedestrian safety, and control the crossing locations where summer pedestrians can cross the streets. This will fund part-time seasonal crossing guards during the summer visitor season. This funding also provides for some limited equipment purchases, general training, scheduling, and deployment of the crossing guards. This program is currently administered by the Juneau Convention and Visitors Bureau. **\$110,250**

### **Downtown Foot/Bike Patrol**

#### ***Project Description***

This provides additional foot and bike patrol presence by Juneau Police Department (JPD) officers in the downtown area during the summer. JPD's presence is important to ensure the

safety of visitors, provide assistance and direction, and mitigate problems that can occur between some of the regular downtown locals and summertime visitors. These officers are regular police officers that volunteer for this duty during their off-duty hours. In addition, we also are continuing the program using retired police officers, as seasonal employees, to patrol the downtown area during the summer. **\$67,000**

### **Downtown Restroom Maintenance**

#### ***Project Description***

This provides contractual services (labor and materials) required to clean the public restrooms in City Hall and the public restrooms at Steamship Plaza seven days a week, six times per day, for five months during the summer. **\$65,000**

### **Downtown Cleaning**

#### ***Project Description***

Due to heavy summer use by visitors, the downtown sidewalks require extra cleaning and litter/garbage removal to keep them clean and safe. This funding provides for two temporary summer employees to operate and maintain the newly acquired sidewalk sweepers and empty downtown garbage containers. This year, there is also some funding to replace cigarette butt receptacles and a few garbage cans. **\$98,800**

### **Transit Public Bus Service**

#### ***Project Description***

Visitors heavily use local bus service during the summer, making it necessary to increase services in order to accommodate locals adequately in addition to summer visitors. The bus system provides a safe, efficient, and cost-effective way for visitors to visit the glacier and view other areas of Juneau. The additional revenue from summer visitors does help offset the cost of providing additional summer bus services; however, our transit system is heavily subsidized and the additional costs are not completely offset by the revenue received. This summer we plan to increase bus service availability in the mornings and evenings. **\$278,000**

### **Juneau Convention and Visitors Bureau (JCVB)**

#### ***Project Description***

The JCVB provides summer visitors with information, directions, and assistance. It also supplies volunteers to staff the information kiosks, who offer information and assistance to visitors. **\$115,000**

### **Seasonal EMS Transport Program**

#### ***Project Description***

CBJ provides ambulance transport service for cruise ship patients that need to be transported from cruise ships and/or Bartlett Hospital to the airport for medevac to Anchorage or Seattle. The demand for patient transport service increases considerably during the summer due to cruise ship patients and does create situations, on a regular basis, in which we do not have available staff to provide transport service when requested. Two years ago, the cruise ship industry reported delays of 15 minutes to an hour and a half being encountered approximately 33% of the time during the summer. This situation causes delays for the medevac flight crews, resulting in costs and complications with regard to personnel, aircraft, weather, scheduling, etc. This program was implemented last summer and proved to be very effective in resolving this problem. This funding pays four temporary seasonal EMT's to work twelve-hour shifts during the summer (May through September) to cover transports and other EMS calls as needed. **\$132,000**

### **Downtown Ambassador Program**

#### ***Project Description***

Funding for this program supports two uniformed security officers that patrol the downtown area on foot from May through September. These security officers assist visitors with information, directions, and patrol the downtown area for loitering, panhandling, public intoxication, and other public nuisances potentially impacting summer visitors and local residents. With regard to public safety issues and infractions of the law, the security officers refer these issues to JPD to handle. This program is provided through a private contract administered by the Downtown Business Association. **\$56,300**

### **Docks and Harbors General Operations**

#### ***Project Description***

The Docks and Harbors Board has requested general operations funding to offset the costs and impacts of providing area wide services and support to cruise ship passengers. The Board reviewed its budget and apportioned expenses associated with those services and estimated that approximately 9% of the annual docks budget, approximately \$1,711,677 in FY11, is attributed to providing areawide service to cruise ship passengers. **\$154,050**

### **Airport General Operations**

#### ***Project Description***

In FY10, the Finance Committee approved the use of a portion of Marine Passenger Fee proceeds for general airport operations. The current request conforms to the same formula that was used for the last cycle. **\$164,000**

## **CAPITAL PROJECTS**

### **Shoreside Power Project**

#### ***Project Description***

In 2000, Princess Cruises entered into an agreement with Alaska Electric Light and Power (AEL&P) that allows Princess Cruises to purchase hydroelectric power at the South Franklin Dock. Princess Cruises paid for the installation of an AEL&P substation, a distribution line to the dock, and alterations to its vessels. This funding goes into a Cost Of Power Adjustment (COPA) fund that reduces the surcharge to utility customers in Juneau for the use of AEL&P's standby diesel generators. This request represents the final support request for this project. **\$300,000**

### **Downtown Cruise Ship Dock Repairs**

#### ***Project Description***

The current piers are in need of replacement due to their age and condition; are too small to accommodate panamax-size cruise ships; and the configuration of the piers has caused the loss of public access to the waterfront due to new maritime security requirements. This would provide partial funding to refurbish two public cruise ship piers with either new floating berths or replace the moorage system at the existing piers. **\$1,023,884**

### **Bear-Proof Trash Receptacles – AJ Juneau Dock, LLC.**

#### ***Project Description***

This will fund the purchase and installation of several bear-proof trash receptacles at the AJ Juneau Dock, LLC., facilities. These receptacles will be identical to the ones used by CBJ throughout the borough. The Finance Committee, in FY10, approved a similar request from Franklin Dock Enterprises, LLC. **\$9,200**

### **Restroom Maintenance and Landscape Enhancement – AJ Juneau Dock, LLC.**

#### ***Project Description***

This will fund landscape enhancements and the maintenance of public restrooms at the AJ Juneau Dock, LLC., facilities. The Finance Committee, in FY10, approved a similar request from Franklin Dock Enterprises, LLC. **\$20,000**

**Federal Security Grant Match – AJ Juneau Dock, LLC.**

***Project Description***

AJ Juneau Dock, LLC., has been awarded a matching Department of Homeland Security grant for security improvements that will benefit the Port and City and Borough of Juneau, as well as passengers at all facilities. The items include a heavy-duty truck, which will be used for secure deliveries to cruise ships and other vessels, a portable bomb detection device, and a portable security screening building. This funding will provide the required match for the grant. **\$62,884**

**Dock Maintenance – AJ Juneau Dock, LLC.**

This project is nearing completion and is a reimbursement of major dock maintenance to the AJ Juneau Dock budget and two dock barges. **\$100,000**