

Session 11-04, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Vice Chair Zimmerman at 5:00 p.m. on April 27, 2011 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS CARROLL, HARTLEY, HOTTMAN, HOWARD, WEDIN, ZIMMERMAN

ABSENT: COMMISSIONER ULMER

STAFF: PORT AND HARBOR DIRECTOR HAWKINS  
DEPUTY CITY CLERK JACOBSEN

**AGENDA  
APPROVAL**

**AGENDA APPROVAL**

The agenda was approved as written by consensus of the Commission.

**PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

**PUBLIC  
COMMENT**

There were no public comments.

**RECONSID-  
ERATION**

**RECONSIDERATION**

There were no reconsiderations scheduled.

**MINUTES  
APPROVAL**

**APPROVAL OF MINUTES**

A. March 23, 2011 Regular Meeting Minutes

March 23,  
2011  
Minutes

HARTLEY/HOWARD MOVED TO APPROVE THE MINUTES.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried

**VISITORS**

**VISITORS**

**STAFF/  
COUNCIL/  
COMM./BO  
ROUGH  
REPORTS**

**STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

A. Port and Harbor Director's Reports for April 2011

Port and Harbor Director Hawkins reviewed his staff reports and answered questions from the Commissioners.

Port &  
Harbor  
Directors  
Report

Question was raised regarding the dredge spoils. Harbormaster Hawkins responded that annual dredging started in the spring and they are doing an expanded area. He referenced the aerial photo and showed the areas to be dredged. He explained the COE had an issue with a spill of the materials when the pond overflowed, they are responsible for cleaning it up, and they are shut down until fall.

Vice Chair Zimmerman reported on the Lease Committee meeting. A rate of \$2 per square foot was established for the rental kiosks that 250 square foot lots. The Committee discussed length of notice to vacate, and initially 2 weeks was recommended but it may be changed to

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Port &  
Harbor  
Director's  
Report

30 days. It's moving along. They have been working on the base lease for City properties. It has a few issues that need to be worked out, one is the environmental condition of the property when the City leases it out. It was still written that the City could take the improvements and staff said it would be changed. There were also questions about charges for subleases. It still needs work so hopefully it will be kicked around some more. The Lease Committee also discussed leasing to non profits; future discussion will be whether non profits should pay fair market value, how to establish who does and who doesn't, and a scoring mechanism for it. It was also brought up that if the Council gives a non profit a lease for a dollar a month it is taking money away from the Port and Harbor enterprise fund so should the City general fund pay the Port and Harbor the difference to offset the loss.

**PUBLIC  
HEARING**

**PUBLIC HEARING**

There were no public hearing scheduled.

**PENDING  
BUSINESS**

**PENDING BUSINESS**

**NEW  
BUSINESS**

**NEW BUSINESS**

- A. Memo to Port and Harbor Commission from Port Director Re: Proposed Port of Homer Projects for Bond Funding dated April 7, 2011
- a. Port & Harbor 2011 Operating Budget Info

Proposed  
Port of  
Homer  
Projects for  
Bond  
Funding

Harbormaster Hawkins reviewed the staff report.

There was no objection to suspending the rules to allow Councilmember Wythe an opportunity to participate in their discussion.

Councilmember Wythe provided the Commission with copies of a memo from Special Projects Coordinator Holen regarding ADOT municipal harbor facility granting. She commented that there are a lot of projects on the CIP list, including the Port and Harbor building which has been on the list since 1985. Money from federal and state funding is not going to be forthcoming any time soon and the harbor paid its last debt at the end of last year. Being debt free and having their own revenue engine could allow them do a revenue bond. She explained her understanding that a revenue bond can be issued without requiring a vote of the community because there is a designated identified source of income to help repay that bond, where as general bonding has to go to the voters to authorize repayment of the bond. Councilmember Wythe said she would like to see a revenue based Port and Harbor improvement bond that would incorporate the facility to replace the harbormaster office which could also facilitate starting or establishing the overslope development standard. She wants to review the CIP and pull off the items she thinks could be considered one unit for the purposes of improving the harbor as a whole. Then the benefit solely rests with the harbor which makes it an acceptable type project to do with harbor revenue funds. Councilmember Wythe said when she brings this information back to the Commission she will incorporate information from finance about what size of bond the harbor would be eligible for. She thinks it is a project that would gain support, particularly if we were able to get grant money to put with it. She confirmed with Senator Stevens and Representative Seaton that a project the city is already committed to and moving forward with is more attractive for acquiring state funds than the list of projects that have been languishing for years. She thinks if the city takes the initiative to improve our port and harbor district we have a better chance of receiving state and federal funds. If we want to promote the harbor as one of our primary economic

development options in Homer, it is incumbent on us as a community to put money into it and bring it up to a better standard. Councilmember Wythe said she will get something written up for the Commission by their June meeting and plans to talk to them more about this.

Discussion ensued regarding current harbor retained earnings and reserve funds. They also discussed whether the tariff increase will impact funding Harbormaster Hawkins and Councilmember Wythe were unsure what effect the increase would have or if future increases would be necessary. In theory, the funds that were being used for previous indebtedness are available, and it would also be dependant on the volume and repayment of the bond taken. Harbormaster Hawkins expressed his goal to inventory all the port owned assets on the spit and ensure that there is an accurate account and realistic value. Councilmember Wythe referenced the memo in the meeting packet and said she would not be including all of what is listed there in her project recommendation. She would focus on the Port and Harbor building, dock fenders, replacing ramp 3, and some of the lower cost things. The Harbor Office is a necessity and the others are relatively low dollar amounts. She believes that we need to be willing to reinvest funds in the harbor to keep it supporting itself. From the reasonability test we are saying as a community we don't hold this as valuable as we think we do, because if we held it valuable we would be doing things like erosion control because there is money to do it; as opposed to waiting for someone else to come up with the money to do it for us. She is proposing a shift in the way we think about things and take some responsibility for our own progress and our own selves. She noted that we will continue to maintain our CIP list and to ask for funding, but not simply wait for it.

There was brief discussion of the progress the fish tax and its benefits for leveraging. Councilmember Wythe responded that the lobbyists reported that they were unable to put together a good enough coalition to get it up for discussion this year, but hope to next year.

Harbormaster Hawkins responded to questioning and said he doesn't believe that enough money is being put into reserves to maintain the harbor. Year after year \$324,000 has gone into reserves, and after raising rates by 3%, last year it was increased to \$500,000. \$1.4 million is more of a real number to be able to maintain the facility. Parity studies are done to see what rates harbors in the state are charging to be competitive, but we are all keeping them low in comparison to the lower 48. Senator Steadman's comment to the Port and Harbor Association was that the state is getting out of the harbor business so cities need to figure out a way to maintain their facilities. Comment was made that the state, feds, and boroughs should help maintain harbors as they are part of the state transportation infrastructure.

### **INFORMATIONAL ITEMS**

- A. Harbormaster's Monthly Statistical Report for March 2011
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report
- E. Pioneer Dock Ferry Landings Report
- F. Total Wharfage Report - 2006 to 2010 Comparison
- G. Resolution 11-035 - Awarding the Contract for the Refurbishment of One Pedestal Crane on the Homer Fish Dock to Alaska Hydraulics, Inc.
- H. Memo to Port and Harbor Commission from Port Director Re: Winter King Salmon Derby Harbor Activity Statistics dated April 4, 2011
- I. 2011 Commissioner Attendance at City Council Meetings
- J. Strategic Plan 2011

- K. Lease Expirations as of 2/17/11
- L. Commissioner Reappointment letters and certificates

**AUDIENCE  
 COMMENT**

**COMMENTS OF THE AUDIENCE**

Councilmember Wythe thanked the Commission for considering the possibility of bonding. She recognized that there are a lot of activities that aren't really our favorites to have to talk to people about publicly, but she wants to see us do something positive and she feels the only way we are going to do that is to take responsibility for ourselves. She will do what she can to get information to the Commission for their June meeting.

**STAFF  
 COMMENT**

**COMMENTS OF CITY STAFF**

Deputy City Clerk Jacobsen relayed a message from Chair Ulmer that she would like the Commissioners to submit a paragraph for about other parking solutions for discussion at the May meeting.

Harbormaster Hawkins commented that the Helenka B, a 167 foot vessel, came in after the Harvester left. There has been a lot of freight and cargo coming across the barge ramp. It is generating revenue and they are great to work with but has been challenging for staff at times to ensure there is a place for the Helenka B to tie up. Harbormaster Hawkins used the aerial photo to reference an area where the owner has a proposal of driving some pile to establish a spot to moor the Helenka B. It can be considered temporary as it can be removed and it will help the city to have a spot specifically for him. He is looking at a long term lease as well for a place to bring cargo in and leave it; currently he is paying laydown storage for his cargo. It was noted that the designation for the lot suggested for the long term lease may have to be changed as it is currently earmarked for fuel storage.

Harbormaster Hawkins commented that they are going to work to raise public awareness about safety at the load and launch ramp. He cited some incidents of boats being dumped off trailers onto the ramp, or trailers coming unhooked and rolling down the ramp, one boat ended up on the gangway itself, and fortunately the stories so far have ended with no one got hurt. What is happening is they aren't using safety chains, which is really common sense, as they are relying on the hand crank on the trailer. There is a fine in the tariff for blocking the ramp and they have used it in the past in only dealing with the worst offenders. He is going to work for better public awareness with increased signage, and handouts. He said it is getting scary and he doesn't want to have to pull a kid out from under a trailer. He also has concerns that people don't use the walkways and will walk behind the trailers.

Question was raised about the progress on the piling by Pier One that was requested by a John Crandall. Harbormaster Hawkins explained that he hasn't moved forward on it. There are so many projects that need funding and need to be done out there, including revenue projects, and he can't justify putting this project ahead of others. There was brief discussion about funding if the leaseholder is interested in paying for the work.

**COUNCIL  
 MEMBER  
 COMMENT**

**COMMENTS OF THE COUNCILMEMBER**

There were no further comments from Councilmember Wythe.

**COMMENTS OF THE CHAIR**

Vice Chair Zimmerman said it was a good meeting.

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#### COMMENTS OF THE COMMITTEE

There were no Commission comments.

COMMISSION  
COMMENT

#### ADJOURN

There being no further business to come before the Commission the meeting adjourned at 6:13 p.m. The next regular meeting is scheduled for Wednesday, May 25, 2011 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

ADJOURN

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: \_\_\_\_\_