

PORT AND HARBOR ADVISORY COMMISSION

Regular Meeting



Wednesday,
May 23, 2012
6:00 P.M.

City Hall Cowles Council Chambers
491 E. Pioneer Ave., Homer, AK 99603



**NOTICE OF MEETING
REGULAR MEETING AGENDA**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA**
- 4. RECONSIDERATION**
- 5. APPROVAL OF MINUTES**
 - A. April 25, 2012 Regular Meeting Minutes **Page 1**
- 6. VISITORS**
- 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS**
 - A. Port and Harbor Director's Report for May 2012 **Page 11**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
- 10. NEW BUSINESS**
 - A. Increasing the ice rate and monies gained to go towards Fish Dock and Ice Plant maintenance **Page13**
 - B. Consideration of using the general obligation bond process for the purpose of funding a Harbor Master's Office **Page 19**
- 11. INFORMATIONAL ITEMS**
 - A. Monthly Statistical & Performance Report April 2012 **Page 21**
 - B. Weekly Crane and Ice Report **Page 23**
 - C. Deep Water Dock Report **Page 25**
 - D. Pioneer Dock Report & Ferry Landings Report **Page 29**
 - E. Article Re: Kodiak Harbor Rate Increases **Page 31**
 - F. Resolution 12-042 Requesting That the Kenai Peninsula Borough Transfer its Share of State Fisheries Business Tax Proceeds that are Collected in the City of Homer to the City of Homer to Assist It with Maintenance, Repair, and Replacement of Critical Port and Harbor Infrastructure. **Page33**
 - G. Resolution 12-043 Accepting and Approving Recommendations Submitted by the Port and Harbor Improvement Committee Regarding Capital Improvements in the Harbor and the Funding Thereof and Authorizing the City Manager to Prepare the Documents Necessary for Grant Funding, a Revenue Bond Sale, and the Fee Adjustments Necessary to Service the Bonds. **Page 35**
 - H. Commissioner Attendance Schedule for City Council Meetings 2012 **Page37**
 - I. Lease Expiration Calendar **Page39**
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF THE CITY STAFF**
- 14. COMMENTS OF THE COUNCILMEMBER *(If one is assigned)***
- 15. COMMENTS OF THE CHAIR**
- 16. COMMENTS OF THE COMMISSION**
- 17. ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, June 27, 2012 at 6:00 p.m. in the City Hall Cowles Council Chambers located at 491 E. Pioneer Ave, Homer, Alaska.**

Session 12-04 a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on April 25, 2012 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONERS CARROLL, HARTLEY, HOWARD, STOCKBURGER, ULMER, WEDIN, ZIMMERMAN

STAFF: PORT AND HARBOR DIRECTOR HAWKINS
DEPUTY CITY CLERK JACOBSEN

AGENDA APPROVAL

The agenda was approved by consensus of the Commission.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

RECONSIDERATION

There was no reconsideration scheduled.

APPROVAL OF MINUTES

A. March 28, 2012 Regular Meeting Minutes

The minutes were approved as presented by consensus of the Commission.

VISITORS

No visitors scheduled

STAFF AND COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Port and Harbor Director's Report for April 2012

Harbormaster Hawkins reviewed his staff report and answered questions from Commissioners regarding removal of old piping on the Faulkner lease and clarifying the area of the spit trail.

PUBLIC HEARING

A. Amendments to the Port and Harbor Terminal Tariff No. 600 for the purpose of Repaying a Revenue Bond in the Amount of \$6 Million

Tim Cashman, non city resident who does business on the spit as Alaska Coastal Marine, commented in opposition of the head tax rule. He has done business for 25 years out of Homer and all small business owners are getting squeezed in a lot of direction. He recognizes most of the Commissioners as business owners and asked them to think about adding \$2 to everyone who comes through their door and realize it isn't simply a pass through tax. \$2 makes a big difference, and then his administrative cost will be

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another dollar or two. He questions the city's administrative cost to administer it and the enforcement of who pays and who doesn't. In this particular situation the honest guy always pays more and those who have slips and paid property taxes in the harbor will be the ones most affected. Between the price of fuel, raft inspections, and aging fleet, almost every penny of ticket sales goes back into fleet maintenance. Mr. Cashman explained the money to pay this tax at the end of the year just doesn't exist. He further commented that adding this to the other fees that get passed on to the end user can change what a family of four is able to do. When the recreational sales tax went through it affected them in a big negative way, and he expects this head tax will as well.

Rick Swenson, city resident, said Mr. Cashman makes a good point in that the \$2 will be charged to the clients. There is a \$4 fee for the state park, \$2 to the city, and 7.5 percent in sales tax, just in water taxi fees. It will cost the businesses that much to administrate the fees, it isn't so much the \$2 as it is the cost of having to pay someone to chase all the fees. He wishes he had a solution to offer, but he doesn't. He recognizes the needs are great in the harbor. They have great staff, a great location, and a pretty good facility. He questioned why Homer's harbor didn't get any of the millions of dollars that the state recently coughed up for port and harbor improvements around the state. Instead of putting the costs on his back, why don't we get together and collectively find out why we don't have a legislative mission. We have great need and no one asked for us. Mr. Swenson said he doesn't mind paying his share but the tax is bottomless and the more he makes, the more he gives. A family of 4 going across the bay pays \$60 in taxes and fees to do it. It's like renting a car in Seattle where the tax can be more than the rental. He urged the Commission to work with the state.

Greg Sutter, non resident and owner of Captain Greg's Charter, commented in opposition to the head tax. It would create major inequities between different users and puts the biggest burden on passenger vessels for hire. About 10% of the users in the harbor represent for hire businesses and this places the burden on top of them. Right now they are one of the largest economic engines in the harbor. He believes the head tax should be repealed and taken off the books. 10% of the boats would be subsidizing the remaining 90%. He questioned the administrative costs to the city and if another person will need to be hired to collect the \$80,000 that is projected, how the city will deal with the paper work, and how the city will enforce it. He suggested increasing the fuel surcharge and moorage fees to make it more equitable for all users.

Leah Jenkins, city resident with Seaflyght Charters, agrees that this charge is inequitable. She expressed her concern with all the bureaucracy involved in their industry. She gave an overview of the costs to run her business noting that she didn't really make anything last year. In their business they support local business with jobs, deliver charters to 250 sport fishermen, who also spend money at our local businesses. These are the people who will be discouraged with the tariff increases, specifically the head tax.

Sean Martin, non resident and owner of North Country Charters, said he opposes the head tax as it is a targeted tax and an unfair charge to users of the harbor. Fishing charters are already taxed at 100% of their revenue; they don't have a maximum sales tax like other businesses do. Seward has a head tax and has a lower city tax at 4%. Their head tax was supposed to be sunsetted out, but the administration changed and they have it forever. If there will be taxes to raise money for improvements to the harbor he thinks it should be an equitable tax for all the people who benefit from the harbor. The harbor generates a lot of excess dollars that flow into the city. If there needs to be a targeted tax then he wants to see a bed tax, a tax for the hydraulic guy to haul his hoses down to the harbor, and deck hands who use the carts that are falling apart and don't even fit on the ramps. As a side note, if they ever do raise

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enough money for improvements, he would like to have enough water to go everywhere in the harbor at all the floats. They all need to use water.

Gary Ault, non resident with Inlet Charters, echoes what has already been said. He opposes the targeted tax and it seems unworkable to him in relation to the time and effort it will take to administer the fee. For him, it is another burden for his office to track it. It isn't as simple as it seems when you have a package tour, paid in segments. The nightmare of tracking these individual targeted taxes and fees is going to be time consuming and there is a lot of room for error. The whole harbor needs additional revenue and for it to happen efficiently he thinks all users need to be in it together. It benefits everyone and everyone can chip in.

Gerri Martin, non resident and owner of North Country Charters, opposes the head tax. She echoes what others have said. \$80,000 as a proposed income from the fee seems pretty nominal considering the administrative costs that will be incurred. She believes it will be a very unfriendly message to our visitors, with the parking fees, and they already pay the highest sales tax in the state here in Homer. If a family of four takes multiple trips from the harbor, they will have to pay the fee every time. They are taxed at 100% for charters, as well as the tax at other businesses. She believes the entire town benefits from the sales tax they collect on the spit, she feels that the town should be paying as well in some other form than targeting visitors.

Mako Haggerty, non resident of Mako's Water Taxi, said the head tax is arbitrary and capricious. Business owners are doing everything they can to hold their prices down as the park across the bay is getting more and more exclusive. Nothing hurts him more than to have to turn people away, especially young families, because they can't afford the cost of a water taxi. \$2 may not seem like a lot, but adding it to the per client fee at the park and sales tax adds up fast, and they are living in the margins right now. He ditto's what everyone else has said, and emphasized the book keeping alone is another burden that he resents having put on his office staff. On another subject, he would like to park his trailers at the top of the ramp and if he pays an annual fee to get a sticker for his trailers.

Michael Kennedy, city resident, thanked the Commission for their time. He recognizes it is a thankless job, especially when they are affecting people's livelihood. He stated he is opposed to any spending in the harbor that isn't maintenance or safety related. With the way things are going right now he thinks it is elitist to spend millions of dollars in the harbor for the benefit of the rich, because those are the only people who will be able to afford to use the harbor with all these fees increase to pay for the so called improvements that don't need to be made. Safety and maintenance are things that are on going in the harbor. We should cater to the working young people, as that is who we are driving out the town with more and more taxes and fees. It's not fair that the retired rich are the only ones who can live and play in Homer. We're killing the charter fleet and the water taxi people. He noted a good point was raised in questioning why Homer didn't get any money from the state rather than putting this on the backs of harbor users. He expressed that the harbor office is out of the question and it will be voted down, just like city hall, if it is put to the voters. The head tax is a bad idea from the start.

Chelsea Horn, non resident and water taxi operator, expressed her opposition to the head tax. With all the other fees operators have to pay, including park fees, fuel costs, stall fees, insurance and maintenance fees, and taxes, the bookkeeping is overwhelming. She echoes the other speakers concerns.

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Daniel Donich, city resident with Daniel's Guide Service, commented in opposition of the head tax. He agrees with the inequities and concerns about costs and ability to audit and enforce the tax. Not everyone maintains log books, and for the ones that do, the logs are not public documents, so it won't be the same across the board as it is for sales tax and slip fees. He gets questions from his customers who wonder where all the tax money goes that they are paying. He is not opposed to paying more for slip fees. He understands slip fees here are lower than others and they get a lot. He isn't opposed to that option if they have to do something.

Tammy Jones dittos what others have said and stressed that a lot of the business down there are going to add a fuel charge to their fees. She is across the bay so she has to charge 3% for the Borough to leave from Halibut Cove and charge 7.5% to leave from Homer. It is a bookkeeping nightmare. The city and state with their nickel and diming are going to start looking bad to visitors to Homer. Just put a toll gate at the base of the spit, it would be easier than all of them collecting and giving it back.

Kate Mitchell, non resident and business owner in Homer, commented as a business owner she is proud of what our community has done and how far we have come since homesteaders dug the first hole for their boats. She recognizes how they are struggling with how to finance this and sees them choosing to use the head tax as a way to keep the moorage fees down and pass the cost around. She has heard tonight that adjusting the moorage fees is a better way to do it. She participates with the Homer Marine Trades Association and they count on a healthy harbor and look forward to a healthy harbor and more business coming. The harbor is diverse and it does represent the whole community. She hasn't heard an answer yet as to how we missed the state boat. She hopes they have listened to the speakers tonight and find an equitable way to complete the harbor improvements.

There were no further comments and the public hearing was closed.

WEDIN/HOWARD MOVED THAT THE PORT AND HARBOR ADVISORY COMMISSION RECOMMEND TO THE CITY COUNCIL THAT THEY AMEND THE TERMINAL TARIFF NO. 600 TO STRIKE RULE 34.26 THE PASSENGER FEES FROM THE TARIFF.

Comment was made that this rule was put in the books back in 1999 as a way to bring in money from vessels bringing passengers in from the cruise ships. Based on the way it was written it wasn't targeted at the fleet we have now. It hasn't been enforced and there is probably a good reason for it. Point was raised that this tax impacts 12 to 13% of the slips in the harbor and 87% of the vessels will be riding the coat tails. We are obligated to try to spread the tax more equitably across the harbor.

VOTE: YES: HOWARD, STOCKBURGER, ULMER, WEDIN, CARROLL, HARTLEY, ZIMMERMAN

Motion carried.

HOWARD/WEDIN MOVED TO REMOVE THE ICE TARIFF INCREASE AS GENERATING FUNDS TO PAY FOR THE BOND.

There was discussion that the use of ice is for a specific group of users who use the system, and part of what motivated the increase is that the ice plant is running at a deficit. That is an operation and maintenance issue, not a bond issue. Any increased fees to the ice plant should go to the o&m fund. Other comments included that long-liners have said our ice is better than anyone and they like to come

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to Homer. We used to be the number one halibut port for years and have slipped from that. Increasing ice fees would make that matter worse; this might be a small way to encourage that.

VOTE: YES: STOCKBURGER, ULMER, WEDIN, CARROLL, HARTLEY, ZIMMERMAN, HOWARD

Motion carried.

HOWARD/HARTLEY MOVED TO APPROVE THE RECOMMENDED DOCKAGE FEES THAT THE COMMITTEE PUT FORTH TO SUPPORT THE BOND PAYMENT.

Harbormaster Hawkins explained this will change dockage rate from a per lineal foot rate to a graduated rate schedule, the same as Anchorage's rate schedule. He explained Homer's current rates are not consistent with the way larger ports are charging. Larger vessels have a bigger impact on the facility so they charge a graduated schedule and as you go up in size, it is a higher fee for dockage. An example is when they are doing repair so the fenders, they have to be engineered to accommodate the highest potential usage, in our case, an 800 foot cruise ship. In the lower 48 smaller ports are priced equal to or more than larger ports as they provide the same services with lower volume than larger ports. He does not believe the harbor will lose business because of this change.

Commissioner Carroll expressed his opposition to this and the upcoming recommendations. He believes it is time to think about where the money in the harbor is coming from and where it's going. He is of the opinion this whole scheme of adding on the cost and maintenance and everything in the harbor is real. He thinks they need to look at the budget to see if there is enough income to be doing this out of pocket. With the fuel tax and sales tax it appears the city is siphoning money off the top of the boat harbor at the rate of 20%, and now for a capital expenditure for maintenance, the stall owner has to pay for that. He thinks they need to look at things like what is happening with the funds when harbor maintenance when from Public Works to the Harbor. In his mind he likens it to his own business and when the harbor has a really good year they should have sufficient money to do maintenance and capital projects for the next year. He would like an independent review or training regarding the city budget so they all know what is going on. The budget is extremely complicated and he thinks it is done intentionally so. He questions if any of the tax money goes back into the harbor.

VOTE: YES: ULMER, WEDIN, HARTLEY, ZIMMERMAN, HOWARD, STOCKBURGER
NO: CARROLL

Motion carried.

HOWARD/HARTLEY MOVED TO ADJUST THE FUEL WHARFAGE FROM \$.0103 TO \$.025 PER GALLON IMPLEMENTED OVER A TWO YEAR PERIOD.

Commissioner Howard reiterated the purpose of the increases is to make up the deferred maintenance that we have failed to do over the years for what ever reason. Reality is we have a problem and we need to fix it. The amount in the packet is shown as an increase of \$.02 per gallon. He is proposing \$.025 to offset loss of revenue from removing the head tax and ice fees. The current fee has been in place over 20 years.

In response to questioning, Harbormaster Hawkins commented that most harbors in our area are between half of a cent to one cent per gallon. Anchorage is 1.7 cents per gallon and they transport a

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tremendous amount of fuel when you consider the airports and everything they have. Cost to the city includes having staff on site for landings and departures of barges, security, and so forth. It's wharfage for what comes across our docks and piers.

It was noted that this will raise fuel costs to everyone in town.

VOTE: YES: HARTLEY, HOWARD

NO: WEDIN, CARROLL, ZIMMERMAN, STOCKBURGER, ULMER

Motion failed.

HOWARD/HARTLEY MOVED TO ADJUST THE FUEL WHARFAGE RATE FROM EXISTING \$.0103 PER GALLON TO \$.02 PER GALLON.

It was questioned if there is a way to fix this to where the fuel gets charged wharfage coming in but not going out. It seems like the fuel in the harbor is being paid when it comes in and then when it goes out to the fuel floats so boat owners pay it twice, but people in town pay once. Harbormaster Hawkins said there probably is a way, but he is unsure what that would be.

VOTE: YES: HARTLEY, STOCKBURGER, HOWARD, ULMER

NO: CARROLL, ZIMMERMAN, WEDIN

Motion carried.

HOWARD/HARTLEY MOVED TO INCREASE MOORAGE FROM \$35.22 PER FOOT PER YEAR TO \$42.50 PER LINEAL FOOT PER YEAR TO BE APPLIED OVER THE NEXT TWO YEARS.

Comment was made that a 20% increase is out of the question. An aspect of moorage that hasn't been considered is for wider boats. They need extra room and are harder on the docks. We could consider a more complicated formula but raise the same revenue without putting the entire burden on the small boats. There were comments in favor of looking at the overall fee structure to establish what is reasonable. It was suggested that there are people in the harbor who have stalls and don't create the wear and tear on the harbor, the parking, or the restrooms that the charter fleet generates, there ought to be some allowance for that. The point was raised that all users impact the harbor in different ways.

Question was raised as to how we compare with our neighbors. Harbormaster Hawkins reviewed increases since 2009. He said Seward charges \$45 per foot for lessees and more for transient vessels. Kodiak has a graduate rate.

VOTE: YES: HARTLEY, HOWARD, ULMER

NO: ZIMMERMAN, STOCKBURGER, WEDIN, CARROLL

Motion failed.

WEDIN/HOWARD MOVED TO INCREASE THE MOORAGE 15% FROM THE CURRENT RATE.

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There was discussion that it would be helpful to have a rate study to determine if a graduated rate scale could be imposed and net the same income. The Commission agreed to include consideration of a rate study on another agenda for further discussion.

VOTE: YES: HOWARD, STOCKBURGER, ULMER, WEDIN, HARTLEY, ZIMMERMAN
NO: CARROLL

Motion carried.

PENDING BUSINESS

None

NEW BUSINESS

- A. Memo to Port and Harbor Commission from Bryan Hawkins, Port Director/Harbormaster Re: Harbor Improvement Committee Report of April 19, 2012 Meeting dated April 20, 2012
 - a. Memo to Harbor Improvement Committee from Bryan Hawkins, Port Director/Harbormaster Re: Grant Money & Matching Funds dated April 13, 2012
 - b. Revised Grants & Matching Funds Needed Spreadsheet as of April 19, 2012

Harbormaster Hawkins reviewed his information regarding grant money and matching funds for the recommended projects.

ZIMMERMAN/WEDIN MOVED TO RECOMMEND TO COUNCIL TO HAVE THE HARBOR IMPROVEMENT COMMITTEE CHANGE THE CAPITAL IMPROVEMENT BOND INCLUDE ONLY SYSTEM 5 UPGRADE, RAMP 3 GANGWAY, AND PORTIONS OF THE FLOAT REPLACEMENT TO A MAXIMUM BOND OF \$4 MILLION.

There was discussion that the necessary work on the floats could be done now, fixing pilings and replacing A float to replace ramp 3, and the rest of the float work out spread to be done as reserve funding allows. It is a good compromise. Concern was expressed that relying on reserve funds to grow and be able to spend as you go could take about 5 years based on the proposed tariff increases. By that time inflation will have increased the cost but if we can bond and set the cost in today's dollars and pay with future income is the more economical way to get the work done. 5 years from now there will be more problems that need to be addressed. Bonding rates are really low right. It looks good on paper to put it off and maybe we can get by without someone getting hurt or a float failing, but taking care of these things presently will help us see our way clear.

Other comments included recommending the harbor office be address separately through a general obligation bond that would be paid back by the city as a whole since there is a significant amount of sales tax generated by the harbor that goes in to the general fund.

The Commission agreed to include discussion of a general obligation bond process at their next meeting.

VOTE: YES: STOCKBURGER, ULMER, WEDIN, ZIMMERMAN
NO: CARROLL, HARTLEY, HOWARD

Motion carried.

INFORMATIONAL ITEMS

- A. Monthly Statistical & Performance Report March 2012
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report & Ferry Landings Report
- E. Letter from Homer Chamber of Commerce Re: Winter King Salmon Derby Results dated March 30, 2012
- F. Memorandum 12-055 Appointment of Michael Stockburger to the Port and Harbor Advisory Commission
- G. Resolutions 12-023 & 12-024 re: Long Term Parking Fees
- H. Commissioner Attendance Schedule for City Council Meetings 2012

Chair Ulmer welcomed Mr. Stockburger to the Commission. He commented that he appreciates the opportunity; he does quite a bit at the harbor and is concerned with how it operates. He appreciates the harbor staff, what they do down there, their assistance to his customers and to him when it is time to get boats in and out. He is ready to put in some effort in help with the harbor, what it looks like, who we can attract, keeping costs down, but keeping it maintained and safe as well.

COMMENTS OF THE AUDIENCE

Michael Kennedy, city resident, commented that tonight's actions were confusing in that they seemed to go backwards. They voted on the revenue before they knew what the revenue was going to be used for. They should establish the bond money then figure what they need. He thinks that is where Mr. Carroll's no votes came from. He thinks the compromise got no votes from both directions. He questions the whole bonded indebtedness that the Commission can make with out a vote of the people. With the harbor borrowing money from the city on their own bond, and with the harbor enterprise fund and sales tax going in all direction, and double taxing makes it more complicated than it needs to be. He questions the harbor being a separate enterprise fund as it's all one city and it shows out there when you have public works having their own staff out there and harbor having their staff out there working doing maintenance. There is a division of labor and it seems it that it should be a city function. Apparently the tax money is going in to the general fund and being distributed back out, and the harbor is trying to capture it before it goes to the general fund. It's like the enterprise fund is fighting the city. He thinks they need to look at the basics of the economy and how the city works so everyone can be on the same page.

Cecil Cheatwood, of C&C Aquatics, commented that he knows with any business you have to continue to put money into it. His company does dive work and maintenance and he has seen a part of the harbor that most individuals don't get to see. It is obvious that some of the structure that have been put in were neglected and that will come back and effect the city. In some cases when you look at the cost of the structures when they were put in, the cost has probably tripled or up to 10 times for replacement. He stressed that the harbor is a business, it takes in funds, and they should be able to use some of that to keep their business functioning properly.

Scott Adams commented that he agrees with Commissioner Zimmerman about the building. For the system 5 upgrade he agrees with putting in a few more power outlets as there are several guys who winter over in Homer. He believes the general harbor should get water before the system 5 side. The

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loading ramp is having work done, but those rates haven't changed so he wonders about adjusting that. They are trying to get the work done on the backs of the people of Homer, and some aren't doing that great or just staying afloat. He is against the head tax.

COMMENTS OF CITY STAFF

Harbormaster Hawkins thanked the Commission for their work tonight.

COMMENTS OF THE COUNCILMEMBER

None.

COMMENTS OF THE CHAIR

Chair Ulmer said she appreciates everyone's effort for this proposal and the people who came to testify.

COMMENTS OF THE COMMISSION

Commissioner Carroll wanted to clarify that he is not opposed to necessary improvements. He isn't sure about spending \$3 million on the load launch ramp, but did not speak against necessary repairs to make it useful and serviceable. The same is true with the projects tonight. He is not against doing maintenance in the harbor, the things that are necessary need to be done. He explained that what he feels railroaded about is that in December or January he recalls being told that this isn't being fast tracked and they are looking at the bond possibilities. It has been on a fast track and he feels like he is on a rocket ship heading toward a \$6 million obligation to the City and he is not in favor of that. He doesn't feel that we have looked at the proper ways of financing this.

Commissioner Wedin welcomed Mr. Stockburger to the Commission. He thanked the Harbor Improvement Committee for their 13 meetings, and probably more to come and he recalls seeing in the paper that some of the members have volunteered to be on a water and sewer task force. He wished them luck and thanked them for their work.

Commissioner Zimmerman thanked the committee for their work also; he recognizes they have put a lot of work into putting these numbers together. He isn't trying to gut this, but make it a reasonable thing. He feels this proposal works out and puts more money in the reserves for harbor repairs than in the original proposal. He welcomed Mr. Stockburger.

Commissioner Howard thanked Mr. Stockburger and said not every night will be this much fun. He thanked the public for their participation, that what this is all about. Democracy is not a spectator sport, you need to get up and participate. The Commission did good work tonight and he really appreciates everyone's input and the outcome. It really sets the tone for a better harbor in the future.

Commissioner Hartley welcomed Mr. Stockburger. He agrees with Mr. Howard that we went through a lot of things tonight and he thinks in the future there will be more to go over before the process is done.

Commissioner Stockburger said he is looking forward to working with everyone. It was interesting tonight. Even in your personal life it is easy to spend money and tough to raise it. He is here to help do the best we can to keep the harbor a nice, safe, and friendly place to play and work.

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ADJOURN

There being no further business to come before the Commission the meeting adjourned at 7:17 p.m. The next regular meeting is scheduled for Wednesday, May 23, 2012 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____



City of Homer

Port / Harbor

4350 Homer Spit Road
Homer, Alaska 99603-8005

Telephone (907) 235-3160
Fax (907) 235-3152
E-mail Port@ci.homer.ak.us
Web Site <http://port.ci.homer.ak.us>

PORT & HARBOR STAFF REPORT

By Bryan Hawkins, Port Director/Harbormaster
Prepared for the May 23, 2012 Port & Harbor Commission Meeting

May 15, 2012

1. Administration

• Staff met with:

Harbor Improvement Committee Meetings
Cook Inlet Regional Advisory Committee – Risk Assessment Meeting Anchorage
AAHPA Board Teleconference
KBBI Coffee Table – Harbor Improvements, Bond Funding, & Rate Increases
Public Works Director Carey Meyer & R&M Consultants – Deep Water Dock Fender Replacement, 35% Design Review
Natural Disaster Tabletop Exercise – USCG, Homeland Security, DHS, HPD, Petro Marine, AMHS, HVFD, Tesoro, and the Port & Harbor
Department Head Staff Meeting
USCG Marine Safety Detachment Ceremony – Opening of MSD Homer Location
City Manager Walt Wrede & City Attorney Tom Klinkner – Auction Block vs. City of Homer
HVFD – Firefighting Training on Hybrid Vehicle
Monte Williams, Dowl KHM – Pioneer Dock Condition Survey on Corp's Special Dredge Project from Nov '11
Marine Trades Association – Annual Organization Meeting
Homer City Council – Public Hearing & First Reading for Bond Package & Rate Increases

- Request for Proposals for leases on the Homer Spit closed April 26, 2012 at 4:00 pm with no proposals received.
- Jack Spencer was hired as the seasonal Parking Enforcement Officer, beginning work Wednesday, May 9th.
- Harbor Assistants Aria Paxton and Cole Jacobsen began work Friday, May 11th. Three more assistants are scheduled to begin before Memorial Day Weekend.
- Request for Proposals for the contract for Professional Engineering Services for the Planning, Design & Construction Administration of Port/Harbor/Marine Projects closed May 11th with six proposals received. Port and Harbor, Maintenance, and Public Works are currently reviewing the proposals.

2. Operations

April and May have brought warmer weather and the transition into the summer recreational boating season. The Winter Metered Power program expired April 15th and the 60 plus vessels participating in the program have returned to their traditional moorings. New arrival recreational and charter vessels are entering the harbor on a daily basis; bringing our total occupancy to 580 vessels. The tidal grids and beach landings have been busy with commercial vessels performing pre-season maintenance. Operation staff has been focusing efforts on advising vessels' crews on the harbor policy involving in-harbor painting and the need for crews to contain their work.

- Potable water on the float system was activated on May 5th. Harbor officers and harbor assistants have been busy clearing debris and pressure washing.
- Seasonal harbor assistants have been busy with cleaning the fish cleaning stations, carcass trailers, emptying trash barrels and collection of Load and Launch Ramp fees.
- During his first week, our seasonal Parking Enforcement Officer has been working with the public, advising of port and harbor parking policy, and issuing warnings.

- The following are events of significance:
 - On April 24th, Operation staff discovered unattributed damage to a piling on the pioneer dock. The estimated cost of repair is \$20,000. We are currently reviewing AMHS video surveillance archives for evidence leading to a responsible party. A letter, seeking information leading to a responsible party, has been distributed to vessels/captains that have recently performed landings at the pioneer dock.
 - Saturday, April 20th, Operation staff used the harbor tug to tow a disabled 70 foot pleasure craft from outside of the harbor entrance to its stall.
 - On May 9th, a harbor officer responded to an EMS call involving an unconscious, intoxicated male in the parking lot at Ramp 1.
 - On May 10th, Operation staff responded to and assisted in clean up of a five gallon oil spill at the bottom of Ramp 8.

3. Ice Plant

- Making ice, fixing things, life is good. – The Ice Crew

4. Port Maintenance

- Cory Reynolds started his 6 month position as Temporary Port Maintenance Tech on April 23rd.
- Oversaw the completion of the Deep Water Dock fender repair by Pacific Pile, and the concrete repair on P float by Excalibur Construction.
- We got our Bobcat Versahandler back from Craig Taylor with our new sweeper broom attachment.
- Turned the water back on throughout the float system and with the help of the Harbor Assistants opened up the public restrooms around the Spit, and installed the fish cleaning tables.
- Repaired a severely damaged finger float on CC float.
- At the request of the Alaska Ferry Office, installed an aluminum line guard on the P/D. Thanks go to Pike Ainsworth for the fabrication.

Office of the City Clerk

Jo Johnson, CMC, City Clerk
Melissa Jacobsen, CMC, Deputy City Clerk II
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue
Homer, Alaska 99603
(907) 235-3130
(907) 235-8121
ext: 2224, 2226, or 2227
* Fax: (907) 235-3143
Email: clerk@ci.homer.ak.us

MEMORANDUM

TO: Port and Harbor Advisory Commission

FROM: Melissa Jacobsen, CMC, Deputy City Clerk

DATE: May 17, 2012

SUBJECT: Ice Fee Increase for Monies to go Toward Fish Dock and Ice Plant Maintenance

At the April 27, 2012 regular meeting Commissioner Howard attempted to make a motion to amend the tariff fees and increase the ice fees for the sole purpose of raising money for operation and maintenance of the ice plant. I recommended the amendment come back at a future meeting as the agenda advertised increases to the tariff for the purpose of bond repayment and amending the rates for other purposes was outside of the scope of what had been advertised.

At the Port and Harbor Improvement Committee meeting on May 3rd Mr. Howard presented the amendment and the Committee voted unanimously to include it in an effort to present all of the amendments to City Council at once.

The City Council held the first public hearing on the tariff amendments on Monday, May 14th and there were no public comments. The second public hearing is scheduled for Tuesday, May 29th. Any input the Port and Harbor Commission may have regarding this amendment will be provided to Council prior to the second public hearing.

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**CITY OF HOMER
HOMER, ALASKA**

City Clerk/
Port and Harbor Advisory Commission

RESOLUTION 12-038

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, AMENDING THE PORT OF HOMER TERMINAL TARIFF NO. 600 FOR THE PURPOSE OF REPAYING A REVENUE BOND AND CONTRIBUTING TO THE PORT AND HARBOR ENTERPRISE RESERVES.

WHEREAS, The Port and Harbor Improvement Committee was established by Resolution 11-060 to develop a port and harbor improvement revenue bonding plan and provide committee review and oversight throughout the implementation and completion of any approved plan; and

WHEREAS, Revenue Bonds are backed by a specific revenue stream and users pay the cost of the project and financing; and

WHEREAS, Amending the Port of Homer Terminal Tariff No. 600 to increase certain fees to harbor users is necessary for the purpose of repaying the revenue bond; and

WHEREAS, The Port and Harbor Improvement Committee appointed a Tariff Review Subcommittee that met twice and provided recommended changes to the Committee who in turn presented the recommended changes to the Port and Harbor Advisory Commission; and

WHEREAS, The Port and Harbor Advisory Commission held a public hearing regarding the proposed amendments to the Port of Homer Terminal Tariff No. 600, in which 13 people testified and the Commission proposed its amendment to the tariff rates; and

WHEREAS, Recognizing the need for maintenance for the Ice Plant, the Port and Harbor Improvement Committee recommends increasing the ice rate and monies gained to go towards Fish Dock and Ice Plant maintenance; and

WHEREAS, The Port and Harbor Improvement Committee reviewed the Commission's recommendations and recommends the amendments to the Port of Homer Terminal Tariff No. 600 as outlined in the attached Exhibit A.

WHEREAS, The estimated proceeds may exceed the estimated repayment amount and any excess funds collected through these increases will be contributions to the Port and Harbor Enterprise Fund Reserve Account.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby amends the Port of Homer Terminal Tariff No. 600 as outlined in Exhibit A for the purpose of repaying a revenue bond and contributing to the Port and Harbor Enterprise Fund Reserve Account.

PASSED AND ADOPTED by the City Council of Homer, Alaska, this ____ day of _____, 2012.

CITY OF HOMER

JAMES C. HORNADAY, MAYOR

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ATTEST:

JO JOHNSON, CMC, CITY CLERK

Fiscal Note: Revenue amounts increase \$252,726 in 2012 and \$496,590 in 2013.

Per month	\$ 75.00	\$ 77.25		\$77.25	\$77.25
Crane usage per hour	\$ 88.00	\$ 90.64		\$90.64	\$90.64
* Ice per ton	\$ 115.50	\$ 119.00	10% over 2 yrs	\$124.95	\$130.90 *
Seafood wharfage	\$ 4.62	\$ 4.76		\$4.76	\$4.76
Freight non seafood per ton	\$ 14.00	\$ 14.50		\$14.50	\$14.50
Parking per calendar day	\$ 5.00	\$ 5.00		\$5.00	\$5.00
Labor Day - Memorial Day					
Fish Grinder					
Tub	\$ 4.00	\$ 5.00		\$5.00	\$5.00
Tote	\$ 20.00	\$ 30.00		\$30.00	\$30.00
Swap Request	\$ 25.00	\$ 25.00		\$25.00	\$25.00



General Obligation vs. Revenue Bonds

General Obligation

- Backed by general credit and taxing powers of the issuer
- More diverse credit structure
- Requires voter approval
- Least cost, most flexibility

Revenue

- Backed by specific revenue stream – commonly utilities
- Matches sources of payment for bonds to the project financed
- Users pay cost of project and financing
- Variety of revenues could be pledged to pay debt service
- Covenants could limit bonding capacity



Port & Harbor

Monthly Statistical & Performance Report

For the Month of: **April 2012**

<u>Moorage Sales</u>	<u>2012</u>	<u>2011</u>	<u>Stall Wait List</u>	<u>2012</u>	<u>2011</u>
Daily Transient	137	128	No. on list at Month's End		
Monthly Transient	130	118	18' Stall	11	3
Semi-Annual Transient	11	18	20' Stall	1	1
Annual Transient	5	5	24' Stall	10	14
Annual Reserved	3	1	32' Stall	27	38
			40' Stall	26	19
			50' Stall	15	13
			75' Stall	6	5
<u>Grid Usage</u>			Total:	96	93
1 Unit = 1 Grid Tide Use	<u>2012</u>	<u>2011</u>			
Wood Grid	19	19			
Steel Grid	8	9			
			<u>Docking & Beach/Barge Use</u>		
			1 Unit = 1 or 1/2 Day Use	<u>2012</u>	<u>2011</u>
<u>Services & Incidents</u>	<u>2012</u>	<u>2011</u>	Deep Water Dock	45	27
Vessels Towed	5	1	Pioneer Dock	33	35
Vessels Moved	8	23	Beach Landings	5	5
Vessels Pumped	5	1	Barge Ramp	19	11
Vessels Sunk	0	0			
Vessel Accidents	0	0	<u>Wharfage (in short tons)</u>		
Vessel Impounds	0	0	In Tons, Converted from Lb./Gal.	<u>2012</u>	<u>2011</u>
Equipment Impounds	0	0	Seafood	282*	691
Vehicle Impounds	0	0	Cargo/Other	5,080	587
Property Damage	0	1	Fuel	27,251	26,516
Pollution Incident	7	4			
Fires Reported/Assists	0	0	<u>Crane Hours</u>	<u>2012</u>	<u>2011</u>
EMT Assists	0	1		191.2	245.2
Police Assists	2	3			
Public Assists	10	35	<u>Ice Sales</u>	<u>2012</u>	<u>2011</u>
Thefts Reported	3	1	For the Month of April	158	249
			Year to Date Total	289	396
<u>Parking Passes</u>	<u>2012</u>	<u>2011</u>			
Long-term Pass	7	n/a	<u>Difference between</u>		
Monthly Long-term Pass	0	n/a	<u>2011 YTD and 2012 YTD:</u>	107 tons less	
Seasonal Pass	3	n/a			

WEEKLY CRANE TIME / TONS OF ICE
City of Homer - Fish Dock 2012

Date From	Date To	Crane Hours (Weekly)	YTD Crane	Tons of Ice (Weekly)	YTD Ice
1/2/2012	1/8/2012	18.2	18.2	shut down for maintenance	
1/9/2012	1/15/2012	20.9	39.1	shut down for maintenance	
1/16/2012	1/22/2012	16.2	55.3	shut down for maintenance	
1/23/2012	1/29/2012	11.5	66.8	shut down for maintenance	
1/30/2011	2/5/2012	-	-	shut down for maintenance	
2/6/2012	2/12/2012	54.3	121.1	shut down for maintenance	
2/13/2012	2/19/2012	35.5	156.6	shut down for maintenance	
2/20/2012	2/26/2012	21.5	178.1	shut down for maintenance	
2/27/2012	3/4/2012	36.5	214.6	shut down for maintenance	
3/5/2012	3/11/2012	43.4	258	shut down for maintenance	
3/12/2012	3/18/2012	44.1	302.1	32	32
3/19/2012	3/25/2012	57.3	359.4	58	90
3/26/2012	4/1/2012	65.1	424.5	41	131
4/2/2012	4/8/2012	45.3	469.8	40	171
4/9/2012	4/15/2012	32.9	502.7	18	189
4/16/2012	4/22/2012	49.4	552.1	19	208
4/23/2012	4/29/2012	63.6	615.7	81	289
4/30/2012	5/6/2012	40.4	656.1	75	364
5/7/2012	5/13/2012	29.5	685.6	59	423
5/14/2012	5/20/2012				
5/21/2012	5/27/2012				
5/28/2012	6/3/2012				
6/4/2012	6/10/2012				
6/11/2012	6/17/2012				
6/18/2012	6/24/2012				
6/24/2012	7/1/2012				
7/2/2012	7/8/2012				
7/9/2012	7/15/2012				
7/16/2012	7/22/2012				
7/23/2012	7/29/2012				
7/30/2012	8/5/2012				
8/6/2012	8/12/2012				
8/13/2012	8/18/2012				
8/19/2012	8/26/2012				
8/27/2012	9/2/2012				
9/3/2012	9/9/2012				
9/10/2012	9/16/2012				
9/17/2012	9/23/2012				
9/24/2012	9/30/2012				
10/1/2012	10/7/2012				
10/8/2012	10/14/2012				
10/15/2012	10/21/2012				
10/22/2012	10/28/2012				
10/29/2012	11/4/2012				
11/5/2012	11/11/2012				
11/12/2012	11/18/2012				
11/19/2012	11/25/2012				
11/26/2012	12/2/2012				
12/3/2012	12/9/2012			shut down for maintenance	
12/10/2012	12/16/2012			shut down for maintenance	
12/17/2012	12/23/2012			shut down for maintenance	
12/24/2012	12/30/2012			shut down for maintenance	
12/31/2012				shut down for maintenance	

Deep Water Dock 2011

\$2.27

Date	Vessel	LOA	Times	Billed	#Dock	\$ Dock	Service Chg
1/6/12	Discovery	183	1015/	Ocean Marine Srv	1	\$ 415.41	\$ 52.00
1/7/12	Discovery	183	/0125	Ocean Marine Srv	1	\$ 415.41	
1/10/12	Bismark Sea & DBL 109	536	1520/	K-Sea Transportation	1	\$ 1,216.72	\$ 52.00
1/11/12	Bismark Sea & DBL 109	536	/1930	K-Sea Transportation	1	\$ 1,216.72	
1/13/12	Discovery	183	1000/1510	Ocean Marine Srv	2	\$ 207.71	na
1/20/12	Discovery (inside rate per MC)	183	1045/1430	Ocean Marine Srv	2	\$ 64.60	na
1/22/12	Discovery (inside rate per MC)	183	0845/0915	Ocean Marine Srv	2	\$ 64.60	na
1/27/12	Discovery	183	1000/1430	Ocean Marine Srv	2	\$ 207.71	na
2/3/12	Discovery	183	0800/	Ocean Marine Srv	2	\$ 415.41	na
2/4/12	Discovery	183	/0615	Ocean Marine Srv	2	\$ 207.71	na
2/6/12	Discovery	183	1000/1400	Ocean Marine Srv	2	\$ 64.60	na
2/10/12	Discovery	183	0700/1400	Ocean Marine Srv	2	\$ 207.71	na
2/17/12	Discovery	183	1000/1800	Ocean Marine Srv	2	\$ 207.71	na
2/24/12	Discovery	183	0900/1505	Ocean Marine Srv	2	\$ 207.71	na
3/2/12	Discovery	183	0900/1530	Ocean Marine Srv	2	\$ 207.71	na
3/9/12	Discovery	183	1000/1510	Ocean Marine Srv	2	\$ 207.71	na
3/13/12	Island Champion & Seatac 300	300	0900/	RSP / Pen. Scrap	1	\$ 681.00	\$ 52.00
3/14/12	Island Champion & Seatac 300	300		RSP / Pen. Scrap	1	\$ 681.00	
3/15/12	Island Champion & Seatac 300	300	/1130	RSP / Pen. Scrap	1	\$ 681.00	
3/16/12	Discovery	183	1000/1510	Ocean Marine Srv	2	\$ 207.71	na
3/23/12	Arctic Seal	130	1430/	Bering Marine Corp.	1	\$ 295.10	\$ 52.00
3/23/12	Discovery	183	0830/1900	Ocean Marine Srv	2	\$ 207.71	na
3/24/12	Arctic Seal	130	/2010	Bering Marine Corp.	1	\$ 295.10	
3/24/12	Perseverance	189	1500/	Cispri	1	\$ 429.03	\$ 52.00
3/25/12	Perseverance	189		Cispri	1	\$ 429.03	
3/26/12	Perseverance	189		Cispri	1	\$ 429.03	
3/27/12	Perseverance	189		Cispri	1	\$ 429.03	
3/28/12	Perseverance	189		Cispri	1	\$ 429.03	
3/29/12	Perseverance	189		Cispri	1	\$ 429.03	
3/30/12	Perseverance	189		Cispri	1	\$ 429.03	
3/31/12	Perseverance	189		Cispri	1	\$ 429.03	
4/1/12	Perseverance	189	/2000	Cispri	1	\$ 429.03	
4/4/12	Maxine M	103	1200/1330	Big Creek Fisheries	1	\$ 233.81	\$ 52.00
4/4/12	Discovery	183	0900/1700	Ocean Marine Srv	2	\$ 207.71	na
4/6/12	Discovery	183	0840/1200	Ocean Marine Srv	2	\$ 64.60	na
4/7/12	Endurance	215	0700/	Alyeska Pipe/Crowley	1	\$ 488.05	\$ 52.00
4/8/12	Endurance	215		Alyeska Pipe/Crowley	1	\$ 488.05	
4/9/12	Endurance	215		Alyeska Pipe/Crowley	1	\$ 488.05	
4/9/12	Discovery	183	1230/1315	Ocean Marine Srv	2	\$ 64.60	na
4/10/12	Endurance	215		Alyeska Pipe/Crowley	1	\$ 488.05	
4/10/12	Perseverance	189	0700/	Cispri	2	\$ 429.03	na
4/11/12	Endurance	215		Alyeska Pipe/Crowley	1	\$ 488.05	
4/11/12	Perseverance	189		Cispri	2	\$ 429.03	
4/12/12	Maxime	75	1000/1500	Vogel, William	1	\$ 170.25	\$ 52.00
4/12/12	Endurance	215	/0705	Alyeska Pipe/Crowley	1	\$ 488.05	
4/12/12	Perseverance	189		Cispri	2	\$ 429.03	
4/13/12	Discovery	183	1000/1315	Ocean Marine Srv	2	\$ 64.60	na
4/13/12	Endurance	215	1720/2100	Alyeska Pipe/Crowley	1	\$ 488.05	\$ 52.00
4/13/12	Perseverance	189		Cispri	1	\$ 429.03	
4/14/12	Perseverance	189		Cispri	1	\$ 429.03	
4/15/12	Perseverance	189		Cispri	1	\$ 429.03	
4/16/12	Perseverance	189		Cispri	1	\$ 429.03	
4/17/12	Perseverance	189		Cispri	1	\$ 429.03	
4/17/12	Discovery	183	0800/1145	Ocean Marine Srv	2	\$ 64.60	na
4/18/12	Perseverance	189		Cispri	1	\$ 429.03	
4/19/12	Perseverance	189	/2200	Cispri	1	\$ 429.03	
4/20/12	Discovery	183	0900/1300	Ocean Marine Srv	2	\$ 64.60	na
4/21/12	Justine Foss	126	0830/	Foss Maritime	1	\$ 286.02	\$ 52.00
4/21/12	Pacific Explorer	105	0830/	Foss Maritime	1	\$ 238.35	
4/22/12	Justine Foss	126	/0545	Foss Maritime	1	\$ 286.02	
4/22/12	Pacific Explorer	105	/0545	Foss Maritime	1	\$ 238.35	
4/25/12	Justine Foss	126	2200/	Foss Maritime	1	\$ 286.02	
4/25/12	Pacific Explorer	105	2200/	Foss Maritime	1	\$ 238.35	
4/26/12	Justine Foss	126	/1000	Foss Maritime	1	\$ 286.02	
4/26/12	Pacific Explorer	105	/1000	Foss Maritime	1	\$ 238.35	

Deep Water Dock 2011

Date	Vessel	LOA	Times	Billed	#Dock	\$ Dock	Service Chg
5/17/12	Barge 103 = 430'						
	Barge 303 = 320'						
	Barge 141 = 272'	PER OCEAN MARINE: 258					
	Barge 110 = 330'						
	Barge 280 = 282'						
	Barge 282 = 262' PMS						
	Barge 303 = 320'						
	Barge 344 = 330'	NOW: 330', plus tug = 429 2/18/04					
	Barge 360-10 = 360'						
	Barge 450-10 = 450'						
	Barge 450-7 = 400'						
	Barge 500/2 = 400'						
	Barge 250-10 = 250'						
	Washington = 248'						
	OB5 = 175'						
	Barge 180-1 = 172'						
	Barge 340 = 316'						
	DBL 79 = 345'						
	Klamath = 350'						
	SeaTac = 286'						
	SeaTac 300 = 300'						

Study: Harbor rates should go up

by **James Brooks**

04.25.12 - 09:02 am

On Tuesday night, the Kodiak City Council learned that if the city's harbor fund is to stay ahead of rising materials costs, moorage rates will have to rise.

The bad news was delivered by Alexis Bond of Northern Economics, who presented the results of a monthslong analysis of fees levied on cruise ships and boats in Kodiak harbors.

"We can tell you what the costs are going to be over time ... but how you cover those costs is up to you as a community," Bond said.

Bond's analysis, which looks 50 years into the future, says the city needs to raise another \$475,000 per year for its harbor fund to ensure that when a project needs work, it can be paid for.

"We're approaching (replacement) with St. Herman Harbor and some of the older floats out there," said harbormaster Marty Owen. "If you want to have money in the bank when it's time to do that, the rates have to be set ... to capture the lifecycle costs."

While rates need to go up, Bond said Kodiak is better off than many ports in Alaska.

"Kodiak is actually doing amazingly well by covering depreciation," she said, but depreciation only covers the cost of what it took to build a structure the first time. Because prices have risen, a dock can't be rebuilt for what it cost 20 years ago, when construction prices were half their current values.

If the city's moorage fees stayed the same, it would require a 47 percent raise from current rates to make up the shortfall. Additional rises would be required each year to keep up with inflation and changes in the cost of goods.

"It's a community decision," Owen said, "and we can be shortsighted about it or we can take the long view and set rates high enough now."

Instead of simply raising rates across the board, Bond suggested the city could explore charging boats by square footage, taking into account their beam as well as their length.

"It would account for the really wide vessels," she said, "and wide vessels are hard to accommodate in a harbor."

Nick Szabo, chairman of the city's port and harbor advisory board, will oversee a May 1 meeting of the board to consider the rate study.

He said the advisory board has considered square-footage pricing before, since the recent trend in shipbuilding has been to construct "limit" boats that are 58 feet long — just below the 60-foot limit at which stricter regulations come into effect — but wider than normal.

"The standard used to be that width was one-third of the length," Szabo said. "Now they're 24 feet (wide). That not only stresses the harbor facilities, it takes up more room."

Szabo said he can't comment on specific proposals until the harbor board meets next week, but he said there's sure to be some controversy even if mariners understand the need for the rate increase.

"Nobody likes a raise in rates, and the rates have been raised considerably the last few years, so nobody's anxious to see them up again," he said. "But things go up, and I know we have to prepare for replacements."

The Kodiak port and harbor advisory board will meet at noon Tuesday in Fisherman's Hall. The public is encouraged to attend.

Study says cruise ship rates also should rise

Simultaneous with Tuesday's presentation on Kodiak harbor rates, Northern Economics' Alexis Bond unveiled a proposal for the city to increase its cruise ship moorage fees.

Just as more money is needed to keep pace with rising replacement costs in the city's harbor, Pier 2 will need replacement or a major overhaul in the early 2040s.

To save money for that multimillion-dollar project, Bond's analysis recommends the city double its cruise ship tonnage rate from 15 cents per net ton to 30 cents per ton.

"Juneau, Seward and Ketchikan are already higher than the suggested rate," she said.

For a 600-foot cruise ship of 11,500 net tons, that would mean a rate increase of \$1,725 for a 12-hour dockside visit.

As with the harbor rate study, Bond said the rates must be tied to inflation and the price of goods to stay effective.

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**CITY OF HOMER
HOMER, ALASKA**

Howard, Lewis, Wythe

RESOLUTION 12-042

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, REQUESTING THAT THE KENAI PENINSULA BOROUGH TRANSFER ITS SHARE OF STATE FISHERIES BUSINESS TAX PROCEEDS THAT ARE COLLECTED IN THE CITY OF HOMER TO THE CITY OF HOMER TO ASSIST IT WITH MAINTENANCE, REPAIR, AND REPLACEMENT OF CRITICAL PORT AND HARBOR INFRASTRUCTURE.

WHEREAS, Chapter 43.75.130 of the Alaska Statutes entitled “Refunds to Local Governments” provides that tax revenues collected by the State of Alaska through the Fisheries Business Tax be allocated as follows:

- 50% to the State of Alaska
- 25% to the City where the tax is collected if the City is within a Borough
- 25% to a Borough which contains the City where the tax is collected; and

WHEREAS, The most appropriate use of revenues generated through the Fisheries Business Tax would be to apply them to maintenance, repair, and replacement of vital port and harbor infrastructure in the community which facilitates fisheries business and in which the tax is collected; and

WHEREAS, The Kenai Peninsula Borough does not own, operate, or maintain port and harbor facilities; and

WHEREAS, The Homer Port and Harbor is a vitally important regional economic engine which generates jobs, revenue, and taxes and supports a wide variety of industries throughout the Borough including, but not limited to, commercial fisheries, sport fisheries, recreation, marine trades, cargo and shipping, oil and gas, and transportation; and

WHEREAS, The Homer Port and Harbor has capital assets with a depreciated value estimated at \$44 Million which would cost many times that to replace; and

WHEREAS, The Port and Harbor is operated as an enterprise fund and maintenance, repair, and replacement is paid for almost entirely through user fees; and

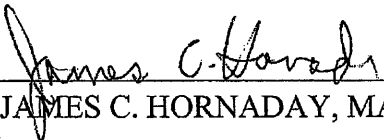
40 WHEREAS, It would be appropriate for the Borough to transfer its share of Fisheries
41 Business Tax Proceeds that are collected in the City of Homer to the City of Homer so that it can
42 reinvest the funds into Port and Harbor infrastructure that benefits the entire Borough.

43
44 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby
45 respectfully requests that the Kenai Peninsula Borough transfer or "pass through" its share of
46 Fisheries Business Tax proceeds that are collected in the City of Homer to the City of Homer to
47 be deposited into the Port and Harbor Enterprise Fund and reinvested into maintaining, repairing,
48 and replacing vital infrastructure.

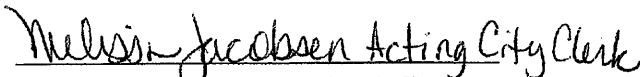
49
50 BE IT FURTHER RESOLVED that the funds be transferred on an annual basis as a
51 "pass through" with no grant agreement or reporting requirements since no such requirements
52 are included in the statutes governing this program or imposed upon the Borough.

53
54 PASSED AND ADOPTED by the Homer City Council this 14th day of May, 2012.

55
56 CITY OF HOMER

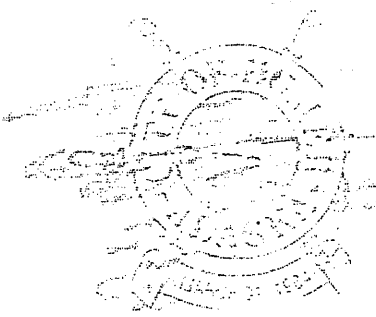
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59 _____
60 JAMES C. HORNADAY, MAYOR

61 ATTEST:

62 
63 _____
64 JO JOHNSON, CMC, CITY CLERK

65 Fiscal Note: Estimated revenue \$80,000.

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1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 Howard, Lewis, Wythe

4 **RESOLUTION 12-043**

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6 A RESOLUTION OF THE CITY COUNCIL OF HOMER,
7 ALASKA, ACCEPTING AND APPROVING
8 RECOMMENDATIONS SUBMITTED BY THE PORT AND
9 HARBOR IMPROVEMENT COMMITTEE REGARDING
10 CAPITAL IMPROVEMENTS IN THE HARBOR AND THE
11 FUNDING THEREOF AND AUTHORIZING THE CITY
12 MANAGER TO PREPARE THE DOCUMENTS NECESSARY
13 FOR GRANT FUNDING, A REVENUE BOND SALE, AND
14 THE FEE ADJUSTMENTS NECESSARY TO SERVICE THE
15 BONDS.

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17 WHEREAS, The Homer City Council created the Port and Harbor Improvement
18 Committee through adoption of Resolution 11-60; and

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20 WHEREAS, The Committee scope of work included identifying priority port and harbor
21 capital projects that could be financed through the sale of revenue bonds and to prepare a
22 “revenue bonding plan”; and

23
24 WHEREAS, The Committee has held meetings on a regular basis since August of 2011,
25 reviewed and analyzed relevant information and facts, prepared a proposal as a basis for public
26 discussion, conducted public outreach activities, and prepared a final recommendation to the
27 Council; and

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29 WHEREAS, The Committee recommends that the City prepare grant applications and
30 sell bonds for the following projects at a total cost of \$9,094,000 (includes Denali Grant
31 contribution of \$330,000); the City would fund one half of the amount (\$4,547,000 plus
32 \$110,000 (City’s 25% match requirement of the Denali Grant of \$440,000) for a total of
33 \$4,657,000 through the sale of revenue bonds:

- 34 • Ramp 3 Gangway and Approach
35 • Harbor Float Replacement
36 • System 5 Upgrades
37 • Load and Launch Ramp; and”
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41 WHEREAS, The Committee recommends that the Council bond for a full \$5 Million so
42 that unforeseen contingencies and increases in the costs of construction and materials can be
43 addressed; and
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45 WHEREAS, The Committee recommends that the following fees be increased in order to
46 generate the revenue needed to service the bonds and increase contributions to the depreciation
47 reserves:

- 48 • Fuel Wharfage
 - 49 • Moorage
 - 50 • Ice
 - 51 • Dockage
- 52

53 WHEREAS, Detailed information on the proposed projects, fee increases, and bond
54 payments is included in the attached Memorandum 12-076 from the Committee.
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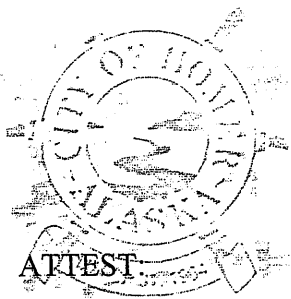
56 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby accepts
57 and approves the recommendation provided by the Port and Harbor Improvement Committee as
58 described in Memorandum 12-076, a copy of which is attached and incorporated herein; and
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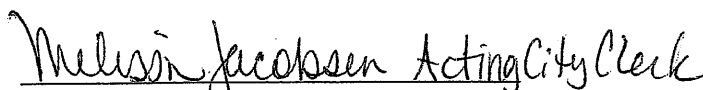
60 BE IT FURTHER RESOLVED that the Council authorizes the City Manager to begin
61 implementing these recommendations by preparing the documents necessary for a grant
62 application, bond sale application, and the necessary resolutions to adjust the fee schedule and
63 Port and Harbor Tariff.
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65 PASSED AND ADOPTED by the Homer City Council this 14th day of May, 2012.
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67 CITY OF HOMER

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71 JAMES C. HORNADAY, MAYOR
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77 JO JOHNSON, CMC, CITY CLERK
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79 Fiscal Note: Bond debt: \$4,274,500.00.

2012 Homer City Council Meetings
Port & Harbor Advisory Commission Attendance

It is a goal of the Commission to have a member speak regularly to the City Council at council meetings. There is a special place on the council's agenda specifically for this. After the Council approves the consent agenda, there is a spot for visitors, and then agenda item number seven, announcements, reports from Commissions, the Borough, etc. That is when you would jump up and speak. If the mayor moves on to public hearings, you have waited too long! Typically if there is no visitor or special presentation, you would be talking within the first half hour (or less) of the Council meeting. The Regular meeting start time is 6:00 p.m.

Each commissioner is assigned a month and is responsible for attending one of the two council meetings, ***OR finding another commissioner to do it in their place*** if they will not be attending the meeting.

<u>Meeting Date</u>	<u>Commissioner</u>
January 9, 23	<u>ZIMMERMAN</u>
February 13, 27	<u>CARROLL</u>
March 12, 27(Tuesday)	<u>WEDIN</u>
April 9, 23	<u>HARTLEY</u>
May 14, 29(Tuesday)	<u>ULMER</u>
June 11, 25	<u>HOWARD</u>
July 23	<u>ZIMMERMAN</u>
August 13, 27	<u>ULMER</u>
September 10, 24	<u>HOWARD</u>
October 8, 22	<u>WEDIN</u>
November 26	<u>STOCKBURGER</u>
December 10	<u>STOCKBURGER</u>

Budget is given to department heads in July, August to return to city manager for first presentation to council on September.

Budget related council meetings, check schedule at that time: October, November, December

The regular December meeting is when the Budget is finally approved by City Council.

Any Special Meetings are usually schedule the first Monday of the month.

Homer Spit Lease Expiration Calendar

updated 11/21/11

Lease Expires	Leaseholder	Details	Action
7/31/2010	Fish Factory	6 mos. Lease Expires	Paying month-to-month til completion of construction brings Lot 12A up to code for lease amendment to include 12B strip
8/14/2010	Alaska Custom Seafoods	lease expires; no options remain	Lease negotiations currently in progress with Alaska Custom Seafoods
9/30/2010	Snug Harbor	lease expires	Lease is completed and being reviewed by lessee. Snug Harbor is in process of completing the conceptual site plan for submittal to Planning Dept
9/10/2011	Homer Spit Campground	lease expires; no options remain	Lease is completed and being reviewed by lessee. Chapples are working on getting a survey completed
12/9/2011	Pier One	lease expires	5 year extension approved by Lease Committee. Finalization of lease currently in progress
1/7/2012	Peninsula Scrap & Salvage	6 mo. lease expires	Negotiations for 2012 season currently in progress
4/15/2012	Dockside Two - Sullivan	lease expires; no options remain	Lease negotiations currently in progress with Sullivan
3/31/2013	Sportsman Supply	lease expires; one 5 yr option	
3/31/2013	AK High Hopes-Bob's Trophy Charters	lease expires; one 5 yr option	
11/1/2013	Southcentral Radar	lease expires; two 5 yr options	
11/30/2013	Harbor Ent. Coal Pt.	lease expires; one 5 yr option	
3/3/2014	ACS MACtel cellular	lease expires; no options remain	\$12/yr
7/31/2014	Kachemak Port Services	lease expires; two 1 yr options	
12/31/2014	Happy Face Restaurant	lease expires; no options remain	
11/30/2015	Mike Yourkowski	lease expires; one 10 yr option	
2/1/2016	El Pescador	lease expires; no options remain	
9/30/2016	USCG-Pioneer Dock	lease expires; no options remain	
9/30/2016	USCG-Roanoke Is.	lease expires? Not in file	

12/1/2018	Harbor Ent. 30 acres	lease expires; no options remain	
3/31/2020	Fish Factory	lease expires; two 10 yr options	
9/30/2023	USCG-Lot #20 by PD	lease expires; no options remain	
1/31/2026	Salty Dawg	lease expires; no options remain	
3/31/2028	Harbor Leasing LLC	lease expires; two 5 yr options	
1/13/2029	AK Marine Highway	Land Use Permit-NO LONGER IN AFFECT	Superseded by 2010 Lease Agreement
9/14/2029	Icicle Seafoods	lease expires; no options remain	
11/1/2029	Homer Ent. Sport Shed	lease expires; two 5 year options remain	
5/31/2030	Seldovia Village Tribe	Lease Expires, two 5 year options	
4/30/2060	AK Marine Highway	lease expires	