

Session 14-07, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Vice Chair Zimmerman at 6:00 p.m. on July 23, 2014 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER DONICH, HARTLEY, HOWARD, ZIMMERMAN

ABSENT: STOCKBURGER, CARROLL, ULMER (all excused)

STAFF: HARBORMASTER HAWKINS  
DEPUTY CITY CLERK JACOBSEN  
CITY MANAGER WREDE  
PUBLIC WORKS DIRECTOR MEYER  
FINANCE DIRECTOR LI  
COMMUNITY AND ECONOMIC DEVELOPMENT COORDINATOR KOESTER

### **APPROVAL OF THE AGENDA**

HOWARD/HARTLEY MOVED TO AMEND THE AGENDA TO HEAR ITEM 10, NEW BUSINESS ITEM A. CAPITAL IMPROVEMENT PLAN REVIEW AND RECOMMENDATIONS, BEFORE PENDING BUSINESS.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

### **PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA**

### **RECONSIDERATION**

### **APPROVAL OF MINUTES**

A. June 25, 2014 Regular Meeting Minutes

HOWARD/HARTLEY MOVED TO APPROVE THE MINUTES AS WRITTEN.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **VISITORS/PRESENTATIONS**

A. Update on Public Safety Building – Carey Meyer, Public Works Director (10 minutes)

Public Works Director Meyer provided the following comments related to the Public Safety Building:

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- The building will be a combined police and fire facility that would resolve issues with the current facilities and provide room for growth in the future.
- \$300,000 has been allocated to work to find out what will best serve the community, where it should be located, and establish a cost estimate.
- The administration will work to find grants and federal monies, and at some point will have to go to the voters for approval to sell bonds.
- There hasn't been a decision yet where the facility will be located.
- Currently the Public Safety Building Review Committee is working to establish space needs for the departments individually and what space can be shared to determine square footage for the building.
- A General Contractor/Construction Manager structure will be used for project management.
- The current focus is the public education effort by updating the city's commissions, meeting with Rotary, Kachemak Board of Realtors, and as many others as possible.

Public Works Director Meyer provided some history on the current buildings and addressed the need for the new building. There are safety concerns at the police station in that prisoners have to be brought in through the dispatch area. There have been instances where prisoners have tried to break away and threatened officers and dispatchers in the building. There are also issues with space to store evidence that needs to be retained for years. Storage space is also an issue at the fire department related to their equipment, also the new vehicles are larger, and resting space for the fire fighters during large events like wildfires.

He reviewed the open house schedules, noted that they would be advertised, and said he would be back to provide updates throughout the process.

Question was raised regarding why the current buildings can't be upgraded. Public Works Director Meyer explained that space is an issue as well as the cost to do upgrades. He noted that when they were looking at upgrading older buildings for the new harbormaster's office that for the cost of the upgrades they could build a brand new and more efficient building.

#### **STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS**

- A. Port and Harbor Director's Report for July 2014

Harbormaster Hawkins reviewed his staff report.

#### **PUBLIC HEARING**

#### **PENDING BUSINESS**

- A. Harbor Rate Increase Proposals
- a. Square Foot Rate Schedule Comparison for Transient Moorage
  - b. Moorage Rates for 2004 & 2014

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Commissioner Hartley commented that from 2004 to 2013, 26 foot vessels saw a 32% increase, and going to the square footage method from 2015 to 2025 it will be a 36% increase. Larger vessels see a similar increase over the 10 year span, with an initial increase of 30%.

Vice Chair Zimmerman said the brunt of the big jump will hit the big boats. The sales tax revenue will be huge from this due to the Borough sales tax rule, and we should lobby the Borough to change that and make it easier for people.

Commissioner Howard talked about the transient moorage rates compared to the reserved moorage rates. He thinks there is a disparity in the the 32 foot class. Harbormaster Hawkins said it reflects issues that started when allowing vessels larger than the stall is built for. In the 32 foot stall a vessel can be 42 feet long and 13 feet wide. Since that is the amount of space available to occupy, that is what was figured in to the ratio. It's a larger ratio for that stall class than for 50 for 75 foot stalls. It has been a struggle since they started allowing too large of a vessel in a 32 foot stall.

They touched on whether there are options to adjust the rate for the 32 foot stall. Harbormaster Hawkins thinks they may want to look at standardizing a rate for all reserved stalls. He feels like staff and the Commission have done as much of the leg work as they can with their skillset and thinks the next logical step would be to now hire professionals to take the work they have done, find the holes in their logic, and and refine and define a schedule. His concerns lie in the 32 foot stall rate and tripling rate for the large vessels.

Harbormaster Hawkins noted that with budget time coming up, he would like to have confirmation from the Commission that they want to inflation proof our mooring budget by applying the CPI adjustment annually to harbor moorage.

HOWARD/DONICH MOVED THAT THIS COMMISSION RECOMMENDS TO THE CITY COUNCIL THAT WE ADJUST OUR HARBOR MOORAGE RATES AS A MINIMUM OF THE CPI EACH YEAR.

The Commission discussed that this gives them more time to set the new rates rather than rush it to make this year's budget. It was clarified that the current draft rate schedule already includes the CPI increase and when the new rates go into effect there won't be a second CPI increase. They recognized that this is a good start and gives them more time to consider the rate increase, get the information out to vessel owners, and get their feedback.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

B. Taxes & Monies Generated by Homer Port & Harbor – Finance Director Li

Finance Director Li reviewed the information he provided in the packet related to the Port and Harbor operating budget and sales tax revenue. He explained that the Borough doesn't have a differentiator to break down sales tax received from particular businesses located on the spit.

Mr. Li reviewed the overhead allocation from the port and harbor fund to the internal service of other city departments. This information doesn't include the fire or police department's service as they are community services.

City Manager Wrede joined in the discussion and reviewed other methods that have been used in assessing the overhead allocation costs. This is a more efficient way to charge the overhead allocation for services provided to the different funds.

The Commission recognized that the process is complex and while they may not like the costs, the reality is the harbor incurs a lot of support costs that the Commission doesn't see. There isn't an easy solution. An argument has always been related to how much money is generated by the efforts of the port and harbor for the City of Homer, which ties in to the sales tax revenue that wouldn't exist if the port and harbor didn't do all the stuff that benefits the City.

Relating to the overall sales tax revenue produced in the harbor it was suggested that Fish and Game could tell how many charter trips were sold through the harbor, then estimate how much a charter costs, and then get an estimate of the sales tax number. Another significant element is the sales tax paid at the fuel dock.

Harbormaster Hawkins recalled Northern Economics was hired to do the east harbor feasibility study and he thinks they did a break out on a lot of the things they are asking about. He will try to find the information and bring it back to the group.

## **NEW BUSINESS**

### **A. Capital Improvement Plan Review and Recommendations**

Community and Economic Development Coordinator Koester reviewed the CIP process with the Commission. She reviewed the proposed new project for the Seafarers Memorial Parking Expansion and reviewed the other harbor related projects included in the draft CIP document. Mrs. Koester advised that the harbor sheet pile loading dock project has received partial funding and suggested they may want to include that in their top two recommendations.

The Commissioners discussed the economic benefits of the sheet pile loading dock and the barge mooring facility. It will bring revenue into the enterprise fund, the sheet pile loading dock will help relieve some of the congestion off the fish dock, and the barge mooring facility will also help with congestion and promote the haul out that has been happening already. Both projects will help promote year round business and more work for the community.

Commissioner Donich expressed interest in the Homer Spit dredge material beneficial use project. It's a lower cost project that will help with additional parking needs and makes use of materials we already have.

Commissioner Hartley agreed that the the sheet pile loading dock and barge mooring facility are key important projects. He commented that he doesn't want to see them move away from the deep water dock expansion. It is vitally important to keep that going and doesn't want to seem like they

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have lost interest in it. Community and Economic Development Coordinator Koester commented that they can recommend the deep water dock expansion project be a number one federal priority.

HOWARD/HARTLEY MOVED THAT THIS COMMISSION RECOMMENDS THE HARBOR SHEET PILE LOADING DOCK PROJECT AND THE BARGE MOORAGE FACILITY BE RECOMMENDED AS THEIR CHOICES TO BE FORWARDED TO THE COUNCIL.

Commissioner Donich commented that these projects are a good place to start.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

HARTLEY/DONICH MOVED TO INCLUDE THE SEAFARERS MEMORIAL PARKING EXPANSION IN THE CIP.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

### **INFORMATIONAL ITEMS**

- A. Monthly Statistical & Performance Report
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report & Ferry Landings Report
- E. Water Usage Report
- F. 2014 Strategic Plan
- G. 2014 Commission Attendance Schedule

No comments.

### **COMMENTS OF THE AUDIENCE**

City Manager Wrede commented that the Commission will be hearing about the deep water dock in the next year. We cleared some hurdles with DOT and have a MOU in place, and expect the feasibility work will happen this fall. That will help to keep it in the forefront. He added that the Council adopted the resolution for the lease policy change related to the Commission reviewing and making recommendation on harbor leases. Lastly he commented that at a previous meeting he told them of an upcoming lease assignment for the Sports Shed, but the deal fell through so there will not be a lease assignment.

### **COMMENTS OF THE CITY STAFF**

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Harbormaster Hawkins talked to the group about what they want at the next meeting related to the rate study. They agreed that staff will bring back an estimate for consulting fees to help lend credibility and refine the rates. He will also bring a copy of the annual letter to lessees that includes information to start getting them up to date with the work done so far.

**COMMENTS OF THE COUNCILMEMBER *(If one is assigned)***

**COMMENTS OF THE CHAIR**

Vice Chair Zimmerman had no comments.

**COMMENTS OF THE COMMISSION**

Commissioner Donich said it was a good meeting and a lot of information came up to think about. He is glad that they have more time to work on the rate study.

Commissioners Hartley and Howard had no comments.

**ADJOURN**

There being no further business to come before the Commission the meeting adjourned at 8:02 p.m. The next regular meeting is scheduled for Wednesday, August 27, 2014 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

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MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

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