

Session 15-10 a Regular Meeting of the Port and Harbor Advisory Commission was called to order at 5:05 p.m. by Chair Ulmer on September 23, 2015 at the Harbormasters Office Conference Room located at 4311 Freightdock Road, Homer, Alaska.

PRESENT: COMMISSIONER ZIMMERMAN, ULMER, DONICH, HARTLEY, AND CARROLL

ABSENT: COMMISSIONERS HOWARD AND STOCKBURGER (EXCUSED)

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK KRAUSE

APPROVAL OF THE AGENDA

Chair Ulmer called for a motion to approve the agenda.

CARROLL/ZIMMERMAN – SO MOVED.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA *(3 Minute Time Limit)*

Malcolm Milne, non-resident, has a boat in the Harbor, he supports keeping the existing rate structure. He appreciates the proposed rate structure to be presented by Commissioner Carroll. He understands that there is a need to increase rates due to increased costs, but recommended saving time and efforts and let the current rate structure stand, he believes it is working.

Erik Velsko, city resident, commented on the amounts he has expended for only one of his boats and other larger boats using this harbor. He recited his expenses for one boat, which totals approximately \$279,551.00. If the rates are raised he will have to move their boats. Mr. Velsko did not feel that the rate increase by a square foot price would encourage the marine trades. He questioned why they keep going back to this, and raising the rates.

The Commissioners and Staff addressed concerns expressed by Mr. Velsko regarding the square foot pricing, correct percentage increase and the reason the rates were being addressed again was to create a fair and equitable pricing structure for all harbor users that also created good sustainable policy.

Dan Veerhusen, city resident, commented from the audience that the internal battle separating the issues over the City and the Port/Harbor was with sales tax. They (the city) are so hung up over a technicality and they need to realize that the big boats and the harbor are what brought money to this town. Mr. Veerhusen then referenced the inability to be able to get hauled out and how that presents a hardship for the big boats here. They have to go to Seward then travel back to Homer and act like a yo-yo because they cannot get what they need in Seward but Homer has it. He commented on all the revenue going up to the city and that was the problem for the harbor.

Commissioner Carroll requested clarification on the amount Mr. Velsko spent on actual expenditures that he mentioned regarding ice and crane use noting that these purchases can be credited directly to the Port.

Commissioner Hartley stated that the commission has tried to get an accounting of the sales tax from the Borough but were told that it could not be split up since all sales tax is paid to the Borough and then returned to the City. They were told it would be too labor intensive.

Chair Ulmer noted that they are off the agenda and that they have exhausted their 3 minutes in response to whether it was an open discussion at this time from Mr. Milne.

Harbormaster Hawkins explained how the sales tax and revenue was collected, charged and paid.

Mr. Veerhusen finished his comments on spending as much as \$209K in this town in a year. He questioned why there is always such a fight. Homer received the Halibut boats when they were chased from Seward by the "cattle barges". Even with a good cannery they came to Homer and there is a lot to offer them too. We are continuously fighting over money. Instead of spending their winters mending nets and fixing boats they are going to meetings. He asked the Harbormaster if he had any answers.

Harbormaster Hawkins responded that there is room for improvement. He did not want to go into it right now but he has met with the consultants and will try to make the best compromise possible. They are working on it and will bring it back for more discussion.

Mr. Veerhusen further commented that he maintains an annual slip in Dutch Harbor and they use it when he is not there, Homer got the Halibut boats here and believed they should not chase them out. Homer can offer all the services that Seward cannot, but will chase the boats away if they keep increasing the rates, when the dollars are rolling in.

Chair Ulmer noting no further Public Comment invited Ms. Howard to provide her report for the Commission at this time.

Barbara Howard, Chair, Vessel Haul Out Task Force, provided a brief overview of the hard work of the Task Force and the Staff in producing the Homer Marine Repair Facility Best Management Practices (BMP, Appendices, Storm Water Pollution Prevention Plan and facility fee schedule; stating they received approval from the environmental group and permitting agencies and requested approval of the recommendations included in the packet. This will provide a good revenue stream, employment for the community, and good use of the shoulder season.

Chair Ulmer thanked Mrs. Howard for getting the work done ahead of schedule.

RECONSIDERATION

APPROVAL OF MINUTES

A. Regular Meeting Minutes August 26, 2015

HARTLEY/DONICH – MOVED TO APPROVE THE MINUTES AS PRESENTED.

There was no discussion.

VOTE. YES. NON OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS (10 Minutes each)

Chair Ulmer read the title into the record. Mr. Nelson, speaking from the audience, stated that he had no presentation but would like to comment under Public Comments if he could, he apologized for arriving late.

Chair Ulmer allowed him to comment at this time hearing no opposition from the Commission.

Gary Nelson, city resident and land surveyor, commented on being forced to pay \$40 per day and required to keep his boat in the harbor for 2 weeks. He believed it was tantamount to highway robbery. That it was unfair since he does not keep his boat in the harbor and it would only cost \$13 to launch his boat if the ramp wasn't closed. He stated that he has called and left a message and if he received a return phone call he might not have had to come out to this meeting.

Harbormaster Hawkins apologized for not returning his call as he was out of the office for a while and quite busy upon his return, but stated it was his decision to close the ramp and chose this time since they needed to do the concrete and groundwork before freeze-up. Notice of the intended closure was noticed in the Anchorage papers, local, website, industry trade magazines. Harbormaster Hawkins described the current situation using the barge ramp. Mr. Nelson understood that but felt that he should be able to remove his boat and that there was no notification that you

cannot launch or remove your boat as a person normally would. He further noted that when he looked at the website last Friday, he did not see anywhere where it would be mandatory to keep his boat in the harbor. He did see comments on the outdoors website similar to his. Harbormaster Hawkins noted that he can launch his boat but there are no guarantees getting it out the same day and you will be charged the daily moorage fees.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

A. Port and Harbor Director's Report for September 2015

Harbormaster Hawkins provided a summary of his report for the commission. He touched on the following:

- New Captain for the Coast Guard, Captain Albertson and Senator Murkowski
 - Tour Harbor Tours, East Harbor Expansion, Deep Water Dock
 - New vessels for the 110 and campaigning for them to come to Homer
- New Leases for SpitwSpots and Michael Yourkowski
 - Suggestion to change the name of the "Lease Committee" since it is no longer public after staff explained the new processes.
- Completed the commercial for the Expo, there is a shorter version that can be used in other situations. The full version is 5 minutes with sound.
- Met and finalized the lease with Don Jose for Harbor Grill
- Still working with the consultant on the Deep Water Dock and Bird Deterrents
- Admin staff has been fervently busy with reserved stall renewals
- Will be attending the AML conference the week of November 18-20th still determining who will attend this since it is the same week as Expo.
- The old harbor office is just about gone
- Labor Day they had over 800 boats in the harbor
- B- J Floats the GFI system was tripped twice, they definitely have issues 300 amp
 - enough Boats with bad grounds hooked up
 - comments on new system, it will improve over time
- Impounded Trailers – losing money or making money?
 - Secured storage for some, they will be working on this issue next year
 - Should change the policy to charge additional fee after 90 days
 - have used structured fee schedule to control parking

B. Vessel Haul-Out Task Force Report

Chair Ulmer introduced the item on the agenda noting that Ms. Howard provided her report earlier under Public Comment. There was no further discussion or comment.

PUBLIC HEARING *(3 minute time limit)*

PENDING BUSINESS

A. Harbor Rate Increase Proposals

1. Draft Resolution 15-XXX Amending Terminal Tariff & Annual Moorage Rates

Chair Ulmer stated that they have this on the agenda as a continuous discussion on this item and not to alarm the public and feels that unless the commission actually have something to discuss she feels that they should remove it from the agenda. She requested input from the commission on removing it as a perpetual agenda item.

Commissioner Zimmerman supported keeping it on the agenda; he opined that they are in a split heated disagreement on the way this thing should go.

Chair Ulmer responded that the commission turned it over to the consultant. They could add an hour to every meeting.

Commissioner Hartley agreed that it is with the consultant and very little the group could do at this time.

Commissioner Zimmerman mentioned the proposal that Commissioner Carroll provided compared to what they have been looking at and Chair Ulmer agreed that they would be discussing that at this time.

Commissioner Carroll presented a price proposal based on a per square foot footprint, this is based on many of Commissioner Howards numbers. He wanted to make this really simple. This is based on the total square footage of the harbor. The prices are based on current moorage rates. They measured System 5.

- The price per square foot footprint the smaller boats do pay \$1.25. The above 32's are paying 25% less than the smaller boats at \$0.99 but System 5 is broke out separately which equates to \$1.49 these are the 75' and over
- Taking the footprint of the harbor and using the graduated rate takes System 5 off the scale

Commissioner Carroll spoke on the graduated rate which would increase the costs of System 5; and

- covered the basis of the formula
- calculations based on the length of the berth
- Removes System 5 from the 32 foot, brings it down to \$0.85
- System 5 was figured 2 on the inside and 3 on the outside

There was a brief discussion on how to perform the calculations, turn around space, the actual number of boats there, transient moorage. Chair Ulmer inquired what the commission would like to do with the information, add it to the information provided to the consultant. When setting the rates this information is important and should be kept for reference. It was noted that the commission has spent less than 22 hours on this project of rates. A graduated rate does not necessarily have to start at the little guy, it could start at the big guy to the little guy.

Commissioner Carroll added that Homer is 10 years behind on a haul out facility that is a big revenue producer and we are now paying for it or not paying for it depending on how you look at it.

B. Spit Parking

Chair Ulmer inquired if there was any discussion on the item.

Harbormaster Hawkins stated that they have found a better option for a kiosk that is supported by other local communities and he spoke to the representative. This kiosk can be programmed for multifunctional options; it is built in Vancouver, British Columbia.

It will solve many problems with the exception of enforcement.

Commissioner Donich recited a recent experience regarding enforcement of parking in Anchorage.

There was a brief discussion on the City paying the Enterprise Fund administration fees regarding parking tickets.

NEW BUSINESS

A. Memo from Deputy City Clerk Re: Vessel Haul-Out Task Force Recommendations

Harbormaster Hawkins corrected the following:

- Upland Vessel Storage Fee should be \$0.17/sq. ft. for annual stall lessees and \$0.20/sq. ft. for transient per calendar month

Ms. Howard provided clarification on the following:

- Administrative Fee is applied to the staff time involved in completing the paperwork necessary for the vessel owner wanting to haul out. This fee is not applied or included in or to the Vendor Fee or the Harbor Labor Fee.
- The proposed fees will be incorporated into the Tariff No. 600 and timely for the annual budget cycle.
- The Harbor Labor Fee will be charged in the event that the site was left a mess and required Harbor personnel to clean up the site.
- The square foot is the boat's length and beam plus a 10 foot perimeter

Chair Ulmer called for a motion.

DONICH/CARROLL - MOVED TO APPROVE THE VESSEL HAUL OUT TASK FORCE RATE STRUCTURE.

There was a brief discussion on rates regarding storage.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. Memo from Deputy City Clerk Re: November Meeting

Chair Ulmer read the item into the agenda and noted that she would like to attend the Expo this year and if the meeting is canceled that would be able to happen.

DONICH/HARTLEY – MOVED TO CANCEL THE NOVEMBER 18, 2015 PORT AND HARBOR ADVISORY COMMISSION MEETING.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

The Commission viewed the infomercial that highlighted all the services and benefits available from working or basing a boat from the Port and Harbor in Homer, Alaska.

The commissioners approved the video content and format. That is was a job well done.

INFORMATIONAL MATERIALS

- 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. Water/Sewer Bills Report July 2015
- G. Sea Grant Alaska Smoked Seafood School, October 7-9, 2015
- H. 2015 City Council Meeting Attendance

Commissioner Zimmerman was not sure he will be able to attend the October 12th meeting, he can attend the second Council meeting.

Commissioner Donich may be absent from the October 22nd commission meeting.

COMMENTS OF THE AUDIENCE

Malcolm Milne, thanked the commissioners for their time and volunteering, he has always had excellent service and response from the staff, but wanted to know if he could submit comments to the consultant and if the scope of work was available to the public.

Harbormaster Hawkins provided some brief guidelines and parameters that were given the consultant in a scope of work, the commissioners then added some additional recommendations to

the guidelines for the consultant, the deadline was provided and may be December since the contract was just received. This will be brought before the commission and the public will be allowed to comment before submitting to Council.

Mr. Milne then added that the Commission should consider the harbor like a movie theater, when creating rate structure, there is a price for admission to get people in the door but you want to keep them there too. The cranes have been a cash cow for the harbor and they would not have the industry that they do without them. That was a smart move.

Commissioner Donich added that they city does not always repair the theater seats and equipment and if they don't repair and replace things when it's time to it will cost even more when they finally do and it is usually more expensive too.

Mr. Veerhusen commented that he agreed with Mr. Milne and thanked the Harbor guys for putting up with him and the movie is great, it had everything mentioned but sandblasting, that would be something that would be really great asset to have. Mr. Veerhusen then commented on building a dolly out of scrap steel to haul out larger boats.

Commissioner Carroll responded that the City cannot afford to build a facility and it will be the Marine Trades that will be the key to having a facility. He further mentioned the next meeting and advised Mr. Veerhusen to attend that meeting.

Harbormaster Hawkins briefly spoke about the Haul Out and eventually they want to build a Marine Repair Facility, they are moving in the right direction, it will be an open yard, where you can do your own work, hire your own contractor.

Mr. Veerhusen further commented on the restrooms over by the old harbormaster's office location and that the facility there gets high use and is in deplorable condition. They are nasty and gross and disgusting. Something is wrong here regarding the conditions and can they be moved to the top of the list.

COMMENTS OF THE CITY STAFF

Deputy City Clerk Krause stated it was a very interesting meeting, that they could use the remaining funds from the Water for sprucing up the restrooms.

Harbormaster Hawkins stated that the information on water expenses was included in the packet and they budgeted \$40,000 but year to date they have expended only \$10,000 so figured they plugged a few leaks.

COMMENTS OF THE CHAIR

Chair Ulmer thanked Ms. Howard again for her work.

COMMENTS OF THE COMMISSION

Commissioner Carroll commented that it was a nice venue, they should have the meetings here instead of City Hall.

Commissioner Donich stated it was a good meeting and thanked the audience for coming out and providing the suggestions, the commission appreciates their input and he thanked the Carroll's for their time and efforts in presenting the information regarding the rate structure. It was a lot of work.

Commissioner Hartley thanked Glen for his work, he felt it was a good meeting.

Commissioner Zimmerman thanked Glen and agreed it was good meeting and stated the sun is still shining and they should all get out an enjoy it.

ADJOURN

There being no more business to come before the Commission Chair Ulmer adjourned the meeting at 7:28 p.m. The next regular meeting is scheduled for October 22, 2015 at 5:00 p.m. in the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: _____