

Session 17-01 a Special Meeting of the Port and Harbor Advisory Commission was called to order at 5:03 p.m. by Chair Cathy Ulmer on January 4, 2017 at the City Hall Upstairs Conference Room located at 491 E. Pioneer Avenue, Homer, Alaska.

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

ABSENT: COMMISSIONER STOCKBURGER(EXCUSED)

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK KRAUSE

APPROVAL OF THE AGENDA

ZIMMERMAN/CARROLL – MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

NEW BUSINESS

- A. RFP for Fish Pump
 - 1. Memorandum from Bryan Hawkins, Port Director/Harbormaster dated January 3, 2017

Discussion was entertained on opening the opportunity to other businesses in a competitive bid by issuing a Request for Proposals from qualified firms to provide fish pump offloading services on the Fish Dock. This Memorandum of Agreement (MOA) was recommended by staff and agreed by the City Manager to be no more than a five year contract and that the proposals should detail how the service would be provided to the individual fish buyer's fleet but the other buyer's as well. The Commissioners were reminded that the City reserves the right to accept or reject any or all proposals, to waive irregularities or informalities in the proposals and to award a contract to the respondent that best meets the selection criteria and the city's needs.

Jeff Burger, city resident and employed at the Auction Block, commented on proprietary information previously submitted to the city and advocated for a preference to businesses that have substantial investment already in place.

Harbormaster Hawkins stated he has not shared any of the proprietary information with the Commission since he was requested not to.

The commission discussed at length the following questions:

1. Should the existing fish pump located on the NE side of the dock under the permanent awing, go out to Request for Proposal (RFP) for the purpose of seeking bids from qualified firms to provide fish pump offloading services on the Fish Dock?
2. If yes to the RFP process, what parameters should be established?
 - a. Length of the term?
 - b. Cost of Utilities?
 - c. Should competitive wharfage rates be allowed?
3. Truck Loading: Is there a way to alleviate heavy truck congestion? Staff suggests they recommend in the RFP that the bidder propose a more efficient method for loading/unloading of fish totes.
4. Should there be a second fish pump location on the Fish Dock?

Pros: A possible solution for fair market competition and being able to handle higher volumes of Fish.

Cons: If improperly executed it could lead to higher congestion on the road due to trucks loading/unloading and may not be a viable business opportunity.

The commissioners expressed concerns and questions regarding but limited to the following:

- receiving input from the processors and receiving feedback since the last meeting
- executed in a fair manner to all who would use a fish pump
- having a processor with a monopoly and controlling the dock
- forcing the processors to service other vessel outside their own and that it should be a first come first serve basis.
- processing is set up prior to the actual action and would be an impediment to be required to serve first come first serve basis

Chair Ulmer requested some input from the Mr. Berger in the audience regarding the use of fish pumps. He provided limited input but agreed that a system can be implemented based on the anticipated volume. He provided some information on Bristol Bay and their facility and that the City owning the dock and wanting to generate revenue, dealing with exclusivity issues, investment from the processors, and role of the city since they are the owners of the dock. He went on to further add that when you want to encourage economic activity and considering all the various revenue streams, it is not simple enough to state that you are going to do this for everyone especially with the amount of investment that will be required.

Commissioner Hartley requested clarification on issuing one RFP or two. He then questioned if Icicle would be required to bid on this even though they have equipment currently in place. Harbormaster Hawkins responded in the affirmative. It was noted that there would be an advantage to having the equipment already in place. Discussion ensued on soliciting for proposals for the existing location then a separate RFP for a second, new, pump & location on the dock.

The commission was in general agreeance to issuing two separate RFPs, one for each location.

Questions and answers between the commission and Mr. Berger and Mr. Duff Hoyt with Icicle regarding costs, investment and the quantity or volume produced by the processors continued. Mr. Berger noted that there was currently still an offer on the table from Auction Block from 2016; Harbormaster Hawkins inserted that the offer was pulled from the table and Mr. Berger acknowledged that Auction Block would be interested in putting the offer in for 2017, along with additional comments

advocating for consideration given to those processors who have put substantial investments within the community, and the impact that would cause to the dock traffic no one would want to work there.

Commissioner Carroll provided anecdotal information on assuming the Tutka Bay Hatchery would start producing volume in the next couple of years which technically means approximately 8,000,000 fish at 3-4 pounds apiece which could exacerbate the situation.

Supplementary comments on the following were made by the commission and with participation from the audience members as requested by the commission:

- Lack of use of the fish pump this past year
- Statistics on the number of smaller vessels that want the fish pumped off
- Mostly the larger tenders that use the pumps
- Dewatering and removing fish totes from vessels
- Capability of pumping smaller vessels may bring higher demand
- What would the demand be from out of town processors to use the fish pumps
- Tenders dewater and
- Typically fish pumped in Homer are put in totes and processed in Seward so Homer does not benefit in the Fish Tax

Chair Ulmer requested that the commission re-focus on the questions as presented in the memorandum. She offered her opinion on the benefits of having a second pump and then read the first question into the record and received responses from the commissioners as follows:

1. Seek proposals for the existing location and a new location, two separate request for proposals
2. Parameters:
 - a. Length of Term - 4-5 years
 - b. Cost of Utilities - Proposer bears the costs of all utilities
 - c. Competitive Wharfage Rates?

Commissioner Zimmerman stated that they were discussing if they should force the processors to pump other people's fish; Chair Ulmer responded yes and posed the question isn't that what doing business is all about? It was noted that they can only have two pumps so two RFPs in response to a question about a third pump.

Comments made by the audience regarding issuing the RFP to the general public and overlooking the folks that have already heavily invested in the Spit, if they could establish within the RFP that a preference would exist for RFP submittals from existing entities on the Spit.

Commissioner Zimmerman asked about using pumps to pump fish up into totes. Harbormaster Hawkins expressed his concerns on pumping fish and putting them in totes and then gridlock with the inability to get the totes onto the trucks. It was acknowledged that they did try that back several years ago but it did not work out well and that is why he suggested requesting solutions in the proposals. They also discussed in the past about lining the dock with pumps and pumping fish into totes but then you had no way to load the totes into the trucks. That is why is would like to possibly address that in the RFP.

Discussion on the amount of room that it takes to stage, dewater, move and load totes and the size of the dock once a large tender is at the dock there is no more room and would be difficult to do more

with the size of the current dock. Mr. Hoyt explained that they are able to unload a small boat on the end of dock in response to a direct question from the commission.

Further information was shared on the space required to load trailers from the side and two or three flatbed semi-trucks and the bottle neck that creates plugging up the road from Harbormaster Hawkins.

Discussion on possible reconfigurations to make optimal use of the ability to load totes ensued.

Discussion by the commission and audience members came back to the fairness in forcing the proposer to pump others; issuing RFP first to local companies then cast wider net if no suitable response; offer on the table that is still good they just ran out time to get it done last year; others chose to let the opportunity expire; Assuming all entities doing or done business on the Spit and Fish Dock need a level playing field, there are only two companies that process fish in Homer. It was reiterated that the RFP could state a preference for businesses on Fish Dock Road.

HARTLEY/DONICH - MOVE TO REQUEST THAT THE HARBORMASTER PREPARE TWO RFPS FOR FISH PUMPS ON EACH END OF THE FISH DOCK WITH CONSIDERATION TO THOSE WHO HAVE A HISTORY OF DOING BUSINESS WITH THE HOMER HARBOR AND ON FISH DOCK ROAD.

Discussion ensued on the request for proposal is not always the lowest or best price, it is what is the best revenue for the city. Questions on preferences for bringing in more Fish Tax across the dock in Homer; above all fairness to all users; economic reality of the huge fleet that lives in Homer; throwing an RFP out to the many when there has been sole provider for 37 years; the blow back that has been heard because of the past. This proposal is to create a equal playing field and is the result of actions by the city in the past and that the city has paid because of that issue. By doing this they are privatizing part of their dock. The City has a procurement policy that establishes a local bidder preference which defines as a business that lives and maintains a business in the city. Clarification and establishing a time limit; establishing within the scoring criteria and using a matrix to score the proposals and build that to suit the goals. It was determined to vote this motion then work on the criteria. Further definition on the information that would be contained within the RFP was provided.

Commissioner Hartley called for the vote.

VOTE. YES. DONICH, ZEISET, CARROLL, ULMER, ZIMMERMAN, HARTLEY.

Motion carried.

Chair Ulmer referenced the memorandum for the next item to discuss. Commissioner Carroll directed the Chair's attention to the audience. Chair Ulmer addressed a request for clarification from Mr. Berger regarding the motion made.

Deputy City Clerk Krause requested a Point of Order and informed the Chair that it was getting difficult to follow the discussion with everyone speaking at the same time and inclusion of the audience members. She allowed that if the Commission had a direct question that they wished input from the members in the audience that it could be addressed.

Chair Ulmer brought the meeting back to order and requested the commission discuss criteria for the proposal. The following items were discussed for criteria or inclusion in the proposal:

- Point system used to rate the proposals received
- Proposers will be encouraged to pump fish from other vessels besides those to processed those agreeing to that will receive higher points
- Fleet size
- Dealing with Truck congestion – Creative ideas or proposals on loading and moving fish totes
- No additional area available for use of fish loading
- Length of term – 4-5 years to allow for amortization of the equipment
- Cost of utilities
- Wharfage – Fish coming across the dock – What is the projected number of fish that they will move.
- Fish tax revenue
- Local bidder preference to apply with history and investment
- Number of employees

Comments from the commission on the requirement to follow policy and procedures that have been established and generating additional business and revenue that benefits the community overall without additional regulations in response to a statement from Mr. Berger which was not audible to the Clerk or recorded.

Commissioner Donich questioned the size of Icycle Fleet based in Homer and how many fisherman that they are purchasing from to get any idea on quantity. Mr. Hoyt responded that approximately 120+ permits. Tenders delivered to Homer approximately 10 boats to a dozen but could expand.

Harbormaster Hawkins requested any additional criteria the commission would like to include. There was none forthcoming, comments were offered on revisiting this in the future.

Brief discussion on process ensued with input from staff regarding timelines and approvals from council to issue RFP. It was determined that a resolution could be on the January 23rd Council agenda to approving the issuing of the RFP, the draft RFP will be on agenda for the next regular meeting. It could be advertised the first & second weeks of February. As long as the Commission did not make any major changes to the RFP it could be offered and awarded by the second meeting in February the soonest.

COMMENTS OF THE AUDIENCE

Jeff Berger, city resident, commented and questioned the use of the existing pump and no one opposing Icycles operations. He recommended when moving forward with better fish moving operations consideration should be given to winter business involving the Cod and Pollock fleets. There is considerable investment in that industry also but also a huge opportunity for Homer that has been overlooked for a long, long time.

COMMENTS OF THE CITY STAFF

Harbormaster Hawkins commented on the Council meeting on Monday and the request from the Tutka Bay to be able to set pins for upwards of three months and there is local opposition to that request.

Commissioner Carroll will be attending since he is not in favor and Commissioner Donich commented on the other predators in the area. Another issue on the agenda is the Crane contract for approval.

Deputy City Clerk Krause commented that it was a pleasure as usual.

COMMENTS OF THE CHAIR

Chair Ulmer will be attending the boat show so she will not be in attendance at the January 25th meeting and asked if the call in number could be emailed to her.

COMMENTS OF THE COMMISSION

Commissioner Carroll, Zeiset, Zimmerman had no comments.

Commissioner Hartley one more step forward.

Commissioner Donich will be absent but can be telephonic and requested the call in number also. He also commented on the summer activity bringing in higher revenue to the city.

ADJOURN

There being no more business to come before the Commission Chair Ulmer adjourned the meeting at 6:50 p.m. The next regular meeting is scheduled for January 25, 2017 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: _____