

PORT AND HARBOR ADVISORY COMMISSION
REGULAR MEETING
JANUARY 27, 2016

Session 16-01, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Ulmer at 5:00 p.m. on January 27, 2016 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER CARROLL, DONICH, STOCKBURGER, ULMER, ZIMMERMAN

ABSENT: HARTLEY, HOWARD

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK JACOBSEN

APPROVAL OF THE AGENDA

CARROLL/STOCKBURGER MOVED TO APPROVE THE AGENDA

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

PUBLIC COMMENT REGARDING ITEMS ON THE AGENDA

CONSIDERATION

APPROVAL OF MINUTES

A. December 16, 2015 Regular Meeting Minutes

CARROLL/STOCKBURGER MOVED TO APPROVE THE MINUTES

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

VISITORS/PRESENTATIONS

A. Mike Fischer, Northern Economics Rate Study Presentation

Mike Fisher presented information prepared by Northern Economics on harbor rate structure alternatives. He addressed the three common structures:

- Flat, where moorage per foot is constant
- Progressive Graduated, where rate increases with vessel size

- Regressive graduated, where rate decreases with vessel size

The two main variables in graduated rate structures are size and number of tiers, and rate change between tiers. These can be uniform or varied based on infrastructure, fleet characteristics and demand.

Norther Economics' recommendations and plan alternatives include:

- Progressive rate structure because larger vessels require more space and stronger facilities and there's no mechanism for the harbor to benefit from economic activity
- Small tier sizes to avoid major jumps in rates
- Small rate increases to have a gradual change from the flat rate and minimize budget impact

Alternative A:

- Progressive graduated rate structure
- Constant tiers of five feet
- Rate increase starts at 1%
- Rate change decreases with vessel size

Alternative B:

- Progressive continuous rate structure
- Base rate starts at current flat rate
- Rate increases at five cents per foot

Chair Ulmer acknowledged this information is more reasonable than what they have seen previously and opened the floor to the Commission for comments.

Harbormaster Hawkins reminded the commission that in their discussions one stated goal was that no one would see a reduction in the current rates, so we wouldn't start lower than we are now. He also reminded them they passed a 10 year budget plan in August starting at our current rate and going up 3.2% plus CPI. They have a forward looking plan and have tried to stay within the parameters as best they can.

Commissioner Carroll commented in looking at Northern Economic alternatives he sees very little consideration for the quality or range of services provided for different vessels sizes. An example is vessels 86 feet and up have very few services available. He commented about the study not recommending adoption of a user-based rate structure since the harbor serves a diverse group of users and doesn't receive financial benefit from the city for sales tax revenue. Mr. Carroll pointed out that the commercial larger fleet has tremendous wharfage and other types of revenues that he doesn't think they are taking into account, but need to be fair to the larger vessels.

Commissioner Donich questioned if they took into consideration if the harbors in the comparisons were city/state owned or privately owned. Private harbors are in the business to make money where a government run harbor is there to help business, so that creates differences in the rate structures. Mr. Fisher said he isn't sure and will look into that.

Commissioner Zimmerman asked for clarification on the criteria for establishing larger vessels are more expensive and use more infrastructure per square foot of area than small vessels when taking the entire harbor basin into account. Mr. Fisher explained they have learned this from engineering firms they have worked with. They did a small model with PND Engineering and looked at what the facilities would be for different vessel sizes. It didn't get into the cost and structure strengths, but did address the actual mooring space, turning basin, and so on, and it wasn't linear. For example, one 80 foot vessel requires more room to turn than two 40 foot vessels combined primarily because of the turning. They also know the size of floats are larger so the capital costs it would be a higher cost for larger vessels, but they don't have costs related to longer term maintenance.

Commissioner Stockburger added the Marine Trades has spent a lot of time, effort, and money trying to attract vessels to come to Homer. There are neighboring harbors that have the benefit of being able to haul out larger vessels, and better facilities and infrastructure, but we feel like there is a better work force here. He is concerned increasing rates may cause vessels to leave. The harbor has diverse user group and some groups bring more money to the harbor in other ways. Private boats bring some money to town, charters bring increased tourism that spends more money around town, and a commercial boat possibly brings in a lot more money. He would like to see that addressed more for our harbor if possible. He agrees that this looks a lot better than the square footage model they looked at previously.

There was brief discussion regarding the 10 year plan that is already approved and clarifying this discussion is addressing rate structure.

The Commission agreed to open the floor to the audience for comment after hearing the presentation and discussion.

Ian Pitzman, city resident and commercial fisherman, noted he is a board member with NPFA, and is commenting on behalf of himself tonight. He explained he has a couple larger boats in different classes including the 100 foot class and gillnetters. He appreciates the presentation and conversation tonight noting this is a lot better than the discussion on the square foot conversation last year. He hasn't seen anything in the little bit of reading he's done that makes him understand why the need to move away from a flat rate. There are good arguments to be made that we all contribute in different ways and he appreciates the comments about the larger vessels that are transient because we don't have slips that size. We have much improved facilities now, but are still tied up two and three out sometimes which is very different than having a slip to come to with a certainty of moorage and electricity. Those boats should probably be considered differently because of that. He acknowledged the industry in Seattle is different and that's why the regressive rate works there. He supports the flat rate in Homer and thanked the group for their discussion tonight.

Commissioner Carroll noted that the lack of haul out facilities for larger vessels is a factor that needs to be addressed in considering their rates.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/ BOROUGH REPORTS

A. Port and Harbor Director's Report for January 2016

Harbormaster Hawkins noted his report in the packet and asked if there were any questions.

There was discussion whether there have been requests for ice. Harbormaster Hawkins said he hasn't had any. In response to a reference to Kevin Hogan's comments at the last meeting Harbormaster Hawkins said he has responded to Mr. Hogan over the last few years why it isn't financially feasible to start up the equipment to accommodate cold storage. When they are running the ice plant they can chill the room, but to run the equipment solely for cold storages isn't feasible.

Question was raised about the status of surveillance cameras and Harbormaster Hawkins explained that the cameras are being addressed with the Deep Water Dock Upland Improvements project.

PUBLIC HEARING

PENDING BUSINESS

- A. Harbor Rates
 - i. Memorandum from Port Director/Harbormaster Hawkins Re: Northern Economics Rate Study and Presentation to Commission

The Commission agreed to keep this on the agenda for two more meetings to give users an opportunity to see it and comment.

- B. Boat Trailer Parking Fees
 - i. Memorandum from Port Director/Harbormaster Hawkins Re: Staff Talking Points for Implementing Boat Trailer Parking Fees

Harbormaster Hawkins explained his recommendation for trailer parking for this year:

- Step up efforts to have better signage and enforcement of current code.
- Implement a long term boat trailer only parking plan and fee structure for the spit with a monthly rate in a designated area.
- Purchase wheel boots to impound vehicles or trailers in place.

Harbormaster Hawkins added that they are working with R&M Consulting to install drainage to all the lots west of the chip pad and building up and paving Outer Dock Road from Spit Road to the Deep Water Dock. He doesn't have a firm timeline but should be completed in 2016.

There was brief discussion and the Commission stated no objection to the 2016 efforts proposed.

- C. Homer Spit Camping
 - i. Memorandum from Deputy City Clerk re: Homer Spit Camping

Harbormaster Hawkins updated the Commission on the RV's parked at the Seafarer Memorial parking lot. He explained that City Manager Koester opened the campground by Pier One Theater and they are talking about bringing in a porta-potty since normal camping fees are being charged and the bathroom in the vicinity has to be closed in the winter. They discussed the information in the packet

from the police chief and touched on the transient worker housing comments included with the memo from the Deputy City Clerk.

CARROLL/STOCKBURGER MOVED TO FORWARD THE RECOMMENDATION IN THE MEMO ON PAGE 49 TO CITY COUNCIL.

Move that the City Council amend Homer City Code Chapter 19.08.030 (d) to eliminate the Spit camping area that is designated as the parking area immediately northwest of the Mariner Memorial and on the same side of the Spit Road; and amend the ordinance to provide a winter camping area designated and open to the public with normal camping fees and rules applied.

There was brief discussion clarifying that the 14 day camping limits and fees will apply to winter camping on the spit, that Park and Recreation will manage the campground, and confirming that this amendment will provide for a winter camping location without the City Manager having to take action to open an area each year.

VOTE: NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

NEW BUSINESS

INFORMATIONAL ITEMS

- A. Harbormaster's Monthly Statistical Report for December 2015
- B. Water/Sewer Bills Report for December 2015
- C. Crane and Ice Report
- D. Deep Water Dock Report
- E. Pioneer Dock Report
- F. Dock Water Report
- G. 2016 City Council Meeting Commissioner Attendance

Commissioner Donich commented about last month's discussion about charging head tax and expressed some of his views opposing it. Discussion ensued and it was noted the Commission will be talking about this as an agenda item at their next meeting.

COMMENTS OF THE AUDIENCE

None

COMMENTS OF THE CITY STAFF

Deputy City Clerk Jacobsen commented that Commissioner Howard is not requesting re-appointment to the commission and the Clerk's Office has advertised for an open seat.

Harbormaster Hawkins commented that next meeting's agenda will also include discussion about a head tax for passenger vessels and information about crane training.

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

None

COMMENTS OF THE CHAIR

COMMENTS OF THE COMMISSION

Commissioner Carroll commented that he went to a different Commission meeting a while back and that really made theirs look professional.

Commissioner Donich said it was a good meeting. He thanked Mr. Fisher for coming down and giving them tonight's presentation.

Commissioner Zimmerman thanked Mr. Fisher for coming to the meeting. Some of the work was good and some he questions, but he appreciated the presentation.

Commissioner Stockburger thanked Mr. Fisher, and also Bryan and staff for everything they do. And thanks again for that nice load and launch ramp.

ADJOURN

There being no further business to come before the Commission the meeting adjourned at 6:51 p.m. The next regular meeting is scheduled for Wednesday, February 24, 2015 at 5:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____