



City of Homer

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Port and Harbor

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Memorandum 19-102

TO: HOMER CITY COUNCIL
THRU: KATIE KOESTER, CITY MANAGER
FROM: BRYAN HAWKINS, PORT DIRECTOR / HARBORMASTER
DATE: AUGUST 6, 2019
SUBJECT: MEMORANDIUM TO COUNCIL RE: RESOLUTION 19-052 & ORDINANCE 19-39 -
PROPOSED CHANGES TO TARIFF NO. 1 REGARDING BARGE RAMP USE AND WHARFAGE

Re: Homer harbor's barge ramp and the fleet of small landing craft

The barge ramp was designed for the large landing craft to load across and the landing fee and wharfage rates are a fair access fee for this size class of vessel. This becomes clearer when you realize that a single large landing craft load-out may take hours to accomplish and involves a large amount of uplands space for temporary laydown.

However, in Homer, there are a growing number of small vessels that use the barge ramp and/or the Load and Launch ramp to load supplies. This small vessel fleet's use of the ramps are generally of short duration, load a small amount of cargo (comparatively), and the operators have been good about working around the large landing crafts load-outs so as not to interfere with large landing craft's priority use of the barge ramp facility.

The current beach / barge ramp landing fee is \$1.50 per foot per landing. The Wharfage for the beach / barge ramp is \$5.14 per ton for N.O.S. (not otherwise specified) freight. Harbor officers see the landing occurring and record the event on our Harbor Check Form. Harbor admin staff then bills the landing fee every morning from the day before. The wharfage is self-reported by the vessel every month. The form is completed and sent in with payment.

The smaller vessels have reported difficulty with tracking and implementing the self-reported wharfage, both with the reporting itself and with the ability to separate out the month end bill to distribute the cost between their customers who received and used their service. Consequently, wharfage is not being reported and equitable implementation of the Tariff rates for all vessels is not occurring.

I am recommending a change in our Tariff #1 to better capture the use of our barge ramp facility by this fleet and find a consistent approach towards managing an equitable rate for the use. Implementation of these changes would be Jan 1 2020.

- **Proposed Change #1-** To remove the self-reporting requirement for vessels under 50 ft. and instead apply a standard 1 ton of wharfage for vessels under or equal to 36 ft. and a standard 2 tons of wharfage for vessels between 37 ft. and 49 ft. per each barge ramp/beach landing.

Landing and Wharfage fees

0>36' = landing fee of 1.50 per ft. + one ton of wharfage (\$5.14), per landing

37>50' = landing fee of 1.50 per ft. + two tons of wharfage (2 x\$5.14 = \$10.28) ,per landing

Vessels over 50' are required to report and pay for wharfage monthly at tariffed rate.

- ✓ Removes the requirement for self-reporting from small vessels and provides a pre-determined, known fee amount for utilizing barge ramp services that can be planned for/accurately billed out to customers contracting services from the vessel.
- ✓ The set wharfage ensures that all vessel users equitably pay for use of the same received services

➤ **Proposed Change #2-** An Annual Barge Ramp Pass for vessels under 50' (Jan 1-Dec 31) and a "Priority Use" granted to vessels over 50'

As the Tariff now stands each vessel, regardless of size, is charged the landing fee of \$1.50 per ft + wharfage for each landing and use of the barge ramp facility. During the review of the proposed wharfage tracking changes at the Port and Harbor Advisory Commission meeting, public comment from some of the smaller vessel owners stated that, should the current tariff be enforced equitably and they be charged for each use of the barge ramp as the Tariff states, they would find it too expensive for their businesses. They pointed to the smaller tonnage of cargo they transport and the shorter, more flexible, use of the barge ramp as possible justifications for an offered Annual Pass, similar to the L&L ramp.

Annual Pass for Vessels under 50'

Annual Pass for Vessels under 50' = single landing + wharfage x 10**

** 10 uses is the current established quantity that equals a seasonal Load & Launch Pass

- ✓ Annual Pass cost uses current LOA of vessel accounting for all vessel lengths equitably.
- ✓ Mathematical formula for annual pass can be represented with current billing software management systems
- ✓ Gives a less expensive option to small vessels that use the barge ramp for frequent cargo loading/unloading.
- ✓ Gives preferential use and scheduling to larger vessels that use the barge ramp

➤ **Proposed Change #3-** Allowed Commercial Loading (cargo totaling 500 lbs. or more) at the Load and Launch ramp on off peak hours (from 6pm-6am Memorial to Labor Day).

- ✓ Provides a secondary location for small vessels to load commercial cargo if the barge ramp is being utilized.
- ✓ Restriction to off peak hours allows for primary use to remain as a Load & Launch Ramp and maintains our agreement with AKF&G regarding L&L use.
- ✓ Commercial Loading(500lbs or more) at the L&L Ramp will be subject to the same fees as utilizing the Barge Ramp facility
- ✓ Loading of cargo/items with a total under 500lbs shall fall under normal use of the Load and Launch ramp with applicable L&L fees/access.

On June 26 2019, The Port and Harbor Advisory Commission evaluated and made a motion to approve the proposed changes to Tariff No. 1. Below is an excerpt from the June 26 2019 minutes:

PENDING BUSINESS

- A. Barge Ramp Tariff Charges
 - i. Memo from Port Director Hawkins Re: Barge Ramp Tariff Changes Questions
 - ii. Memo dated May 15, 2019 Re: Proposed Change in Tariff No. 1 for Barge Ramp Use by Small Vessels

Chair Zimmerman opened the floor for discussion. Commissioner Ulmer voiced her support for the revised tariff changes and recognized staff's efforts.

ULMER/STOCKBURGER MOVED TO SUPPORT THE PROPOSED CHANGES AND RECOMMEND CITY COUNCIL APPROVE THE PROPOSED CHANGES TO TARIFF NO. 1 AND AMMENDMENTS TO THE CITY OF HOMER'S DISPOSITION OF SCHEDULED OFFENSES-FINE SCHEDULE

Chair Zimmerman asked if there were any other changes made to the proposed tariff rates since the last meeting. Port Director/Harbormaster Hawkins responded there were no additional changes, just better clarification based on the commission's previous meeting and concerns raised by public testimony. There was discussion on what was being agreed on and how it would apply to the Barge Ramp users in the harbor.

VOTE: YES: HARTLEY, ULMER, DONICH, CARROLL, ZEISET, STOCKBURGER, ZIMMERMAN
Motion carried.

These changes help to ensure the most efficient use of our barge ramp facility by this changing, expanding fleet. They also help to find a consistent approach towards managing an equitable rate for the use. As harbor facilities become increasingly utilized by more and more vessels, ensuring equitable rates for all users and the most efficient use of the services available becomes paramount.

Staff Recommendation:

Adopt Resolution 19-052 formally authorizing changes to the Homer Tariff No. 1, and approve and adopt Ordinance 19-39 to amend Homer City Code section 1.16.040, Disposition of Scheduled Offenses- Fine Schedule.

