



MEMORANDUM

Ordinance 24-09, An Ordinance of the City Council of Homer, Alaska Adopting the Revised Port and Harbor Tariff No. 1. City Manager/Port Director.

Item Type: Backup Memorandum
Prepared For: Mayor Castner and Homer City Council
Date: December 19, 2023
From: Bryan Hawkins, Port Director
Through: Rob Dumouchel, City Manager

Staff conduct an annual review of our Port of Homer Tariff No. 1 to make sure it reflects our current policies and rates, submitting any prospective changes to the City for review and approval. The following information listed below pertains to this year's proposed edits/changes.

Policies

- Work Skiffs [RULE 28.2]- removal- Currently there is an exception regarding seine skiffs that results in an unfair application of our rate structure which, as a public entity, we need to correct. Additionally, it actually costs us money not to charge them money, because it's extra staff time and work to track and remove the standard automatically generated billing charges that are part of our built in moorage rate structure. We provide the same services to all boats moored within the harbor, including seine skiffs, and we need to be charging use within the harbor equably for all users.
- Marine Haul Out Facility [RULE 38]- additional wording- To operate a facility like the large vessel marine haul out facility the City must hold several permits and follow DEC and safety regulations or risk getting shut down. Staff have noticed an increase in the need for compliance enforcement/assurance in regards to facility users. The added language to the tariff reiterate current best management practices for the facility. Moving forward, if a vessel/user of the facility is found to be out of compliance (i.e. not filing/having an approved work plan ahead of time, or not following the required environmental or safety best management practices needed, etc.) it will mean a full work stoppage, enforced by port staff, with no one allowed to access the vessel until the deficiency has been corrected.
- Load & Launch Ramp-additional wording- During discussion at their meeting, the port and harbor advisory commission recommended that seasonal launch passes be designated as for recreational users, and not available for commercial vessels and vessel transport companies that are running a business while utilizing the L&L facility to do so.

Fees

- Insufficient funds check fee \$50- adding fee- A bounced check causes a significant amount of city finance and port finance staff time to reconcile. We do not currently have a penalty fee for an insufficient funds check.
- Electric metered connect/disconnect fee for Reserved stalls- removal of fee- For reserved stalls with electric meters, currently the rate for electric use is \$23.95/month + electrical usage charge per kilowatt. If a reserved stall holder is going to be gone from the harbor for extended periods of time they can freeze the \$23.95 flat rate monthly charge by putting in a notice of vacancy and paying a \$28.80 connect/disconnect fee. This fee is often confusing for customers, but also makes it not worth it to file a notice of vacancy unless a tenant boat is going to be gone for more than 2 months. In our currently crowded harbor conditions we would like to promote an easy, high level of communication on when stalls might be vacant to best utilize limited resources. Removing the fee for putting in a notice of vacancy encourages, by financial incentive, a stall lessee to let us know when they plan to not use their reserved stall for even just 30 days.
- Ice Rates- standardize fee- Currently we have a discounted rate scale for companies that purchase large volumes of ice with discounts starting at 101 tons in a single season. In practice, this only applies to one to two customers per year. Our software for managing ice and crane had to be updated this year, and with that update we lost the ability to track graduated ice rates. In addition, ice rates haven't been raised or adjusted since 2009. Even at the standard rate, it is most likely set too low for the current inflation adjustment and market. A detailed review of ice production costs and rates is on the staff's winter task list with changes to the ice rate possible for the 24/25 season in about a year based on today's market.
- Ice Rates increase- The Port Advisory commission recommended a 5% increase to ice rates in addition to the proposal above. Staff supports this, but need to explore the ice plant tracking and port billing software systems to see if there is a compatible way to apply the increase. If a software programming solution is found, staff tentatively plans to implement the increase with the next tariff edit (winter of 2024/2025)
- Tow/ Harbor Labor- increase fee - The fee for harbor labor has not been increased in about a decade. Updated payroll numbers provided from City Hall lead staff to recommend an increase to \$200 per hour to better represent what it truly costs the port to provide those services.
- Rate for hazardous material/oil disposal- \$50/per drum- decrease fee- Providing safe disposal options for these materials is part of our clean harbor initiative. Our current rate scale allows for disposal of small amounts (less than 25 gallons) by vessel owners for free at the collection stations, and charges a per gallon rate for amounts over 25 gallons. It was suggested that we impose a flat rate fee for disposal of oil, per 55 gallon drum, since the current fee structure incentivizes behavior that increases the risk of contamination, including decanting oil into 5 gallon buckets and carrying them up the ramp by hand. Cost per drum is proposed at a rate that would make it cheaper to deliver the drum to the designated area at the harbor maintenance facility by appointment, than it would be to pay vessel crew time to attempt to dispose of oil by hand in 25 gallon or less increments daily. It also makes visual enforcement and billing easier.

- Parking, annual and seasonal passes- decrease fee- The current system for annual long term and seasonal fee pay passes is open to abuse. Two vehicles can be added to one pass with the understanding that the pass will only cover one vehicle at a time, but there is no way to ensure compliance with the rule. The new proposed method simplifies the process to one pass for one vehicle and lowers the cost of each pass from \$200 & \$250 respectively to \$150 for either.
- Launch Ramp Daily rate- increase fee- Increase single launch rate to \$25 (\$13 for launch/ \$12 for parking levy)
- Launch Ramp Passes- increase fee- Annual launch passes are set at an equal cost of 10 daily launches. With the daily rate change, the annual has been scaled accordingly, equaling \$250 for an annual launch ramp pass
- Wood and steel grid- increase fee- The port and harbor advisory commission suggested doubling the rates for the use of the grids. These grids have increasing maintenance due to age and haven't have the rates adjusted in many years.

The port and harbor advisory commission reviewed and discussed the proposed tariff changes at their September, October, November, and December meetings. At their December 13 2023 meeting the commission made the following motion supporting changes (full meeting minutes also included as attachment):

The Commission with the help of its consulting members reviewed the proposed tariff changes.

SHAVELSON/SIEKANIEC MOVED THAT THE PORT AND HARBOR COMMISSION RECOMMEND TO THE HOMER CITY COUNCIL TO ADOPT THE FOLLOWING CHANGES TO PORT TARIFF NUMBER 1 AS THOSE ARE ENUMERATED IN THE OCTOBER 27TH, 2023 MEMORANDUM FROM PORT DIRECTOR HAWKINS TO THE PORT AND HARBOR ADVISORY COMMISSION, INCLUDING:

1. INSUFFICIENT FUNDS CHECK FEE
2. ELECTRIC METERED CONNECTION FEE
3. TOW AND HARBOR FEE
4. SKIFF RATE FEE
5. HAZARDOUS/OIL DISPOSAL FEE TO INCLUDE \$50 PER BARREL FOR OIL, \$8 PER GALLON FOR ANTIFREEZE AND \$6 PER GALLON (IN DRUMS) FOR OILY WATER AND BILGE WATER
6. ANNUAL AND SEASONAL PARKING PASS FEES OF \$150
7. LAUNCH RAMP FEE TO INCLUDE \$25 PER LAUNCH WITH EXEMPTIONS FOR RESERVED STALL HOLDERS OR ANNUAL MOORAGE HOLDERS AND A \$250 ANNUAL PASS FOR RECREATIONAL USERS
8. INCREASED WOOD AND STEEL GRID FEES
9. REMOVAL OF THE WORK SKIFF EXEMPTION RULE
10. ADDITIONAL RULES FOR MARINE HAUL OUT FACILITIES

Recommendation

Council approval of Ordinance 24-09 adopting the proposed changes to Tariff No. 1.

Attachment : December 13 2023 PHC Meeting Minutes