



# MEMORANDUM

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## Harbor Liability Insurance Requirements Approved by Ordinance 24-53

**Item Type:** Action Memorandum  
**Prepared For:** Mayor Lord and Homer City Council  
**Date:** November 5, 2024  
**From:** Donna Aderhold, Councilmember

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The City Council passed Ordinance 24-53, adopting revised Port of Homer Terminal Tariff No. 1, at our October 28, 2024, regular meeting. Section 5.05 of the ordinance (see page 269-270, lines 84-94 of the October 28 regular meeting packet) states that “vessel owners using the City of Homer’s Terminal Facilities are required to carry liability insurance with a minimum of \$300,000 coverage and add the City as a certificate holder. ...”

Liability insurance is important for vessel owners to carry for their own protection. However, for small private vessels not used for any commercial purpose and that are not likely to cause damage to harbor facilities, is \$300,000 too much to require? What is fair and reasonable? What is the cost to the vessel owner of carrying \$300,000 in liability insurance? What is required at similar sized harbors in Alaska?

The meeting minutes from the Port and Harbor Commission’s September 25, 2024, meeting when the draft ordinance was discussed (see page 267 of the October 28 regular meeting packet) states that “There was a brief discussion regarding moorage, the right to deny access to vessels who don’t have insurance and the work skiff exemption.” The minutes do not include the nature of the Commission’s discussion regarding insurance requirements.

I am interested in asking the Port and Harbor Advisory Commission to revisit Section 5.05 of the Port of Homer Terminal Tariff No. 1 as it relates to small, privately owned vessels that are not used for commercial purposes and to discuss the questions listed above and provide City Council with answers to the questions and a draft ordinance amending this section of the tariff if that is warranted by the end of March 2025.

**Recommendation:** Discuss memorandum and vote on whether to send the memorandum to the Port and Harbor Advisory Commission for review and consideration.