

Session 10-10, a Regular Meeting of the Port and Harbor Advisory Commission was called to order at 5:03 p.m. by Chair Ulmer on December 15, 2010 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ULMER, HARTLEY, HOTTMANN, WEDIN AND ZIMMERMAN

ABSENT: COMMISSIONER CARROLL (EXCUSED)

STAFF: HARBORMASTER HAWKINS
DEPUTY CITY CLERK KRAUSE

APPROVAL OF THE AGENDA

Commissioner Hartley requested two items be added under New Business, a Memorandum of Support to Council for Long Term Parking for Residents across the Bay and a memorandum of Support to Council Allowing Removal of Dredge Materials from the Spit. It was noted that a revised agenda was issued after he had picked up his packet and this item was added under New Business. A copy of the revised agenda was distributed to Commissioner Hartley. Chair Ulmer noted that the Strategic Plan was not on the agenda as requested. The Clerk apologized for the oversight and stated it could be added as a discussion item but no action could be taken at this meeting. Chair Ulmer requested the Clerk to make sure it was on the January agenda.

HARTLEY/HOTTMANN – MOVED TO APPROVE THE AGENDA AS AMENDED.

There was no discussion

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

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

There were no comments from the public.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Regular Meeting Minutes for November 17, 2010

ZIMMERMAN/HARTLEY - MOVED FOR APPROVAL OF THE MINUTES OF NOVEMBER 17, 2010.

There was no discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

VISITORS

There were no visitors scheduled.

STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS

(Chair set time limit not to exceed 5 minutes)

A. Port & Harbor Director's Staff Report – December 2010

Harbormaster Hawkins reviewed his report for the Commission. He noted the following:

1. Kenai River Center meeting on permits for beneficial uses of dredge materials.
 - a. Proposed uses of the dredged materials on buildup areas for additional parking.
 - b. Removing the materials collected at the mouth of the lagoon and put those materials on the next beach area.
 - c. More and more Dredged materials are being made.
2. Science Collaborative Meeting – study on glacial rebound taking place in Alaska, specifically Kachemak Bay.
 - a. Kachemak Bay is rising about ½ inch each year
 - b. this does affect the Port and Harbor
 - c. they will be participating and gathering more so planning can be done accordingly
3. Winter Storage for Barges on the Beach
 - a. More information will be presented at the next meeting
 - b. Looking for infrastructure that would make it a better situation and bring in revenue
4. Container Handling Options/Research
 - a. This has been a long time goal to bring containerized shipments into Homer.
 - b. Taking initial steps in generating interest in this project.
5. Executed a Short Term Lease with Kenny Rogers at the chip pad
 - a. He will be performing restoration work on the Bruin Bay this winter.
6. Quarterly meeting regarding Port Security
7. Alaska Regional Ports Conference
 - a. Senator Stedman gave a presentation, bringing them up to speed on where the State is going with the grant monies.
 - b. The state is getting out of the Harbor business and making the harbors more self-reliant.
 - c. 50-50 matching grant program however this is on a year by year basis there is threat each year it will not be funded.
 - d. Regional Hubs and Regional Sub-hubs
 1. Transportation and the way goods are moved around this very large state.
 2. one Highway in - no railway out
 3. priorities being based on proposed projects and the definition of what is a regional hub and sub-hub. Anchorage is a regional hub, Homer is a Regional Sub-Hub. It ranks very high since it is the only safe harbor in Cook Inlet region.
8. John Bacher is retiring after 25 years. They are finishing up with interviews, many good applicants.
9. Helenka B is taking the space vacated recently by the Inlet Harvester.
10. Quality Asphalt has one of the barges being stored on the beach. The City owns up to the mean high and access is through English Bay property. The only other beach for long term is the Pier One Theater beach.
11. Tustumena is back operational, the Sakagawea is being made operational and seaworthy by its new owner.

There was no further discussion.

B. Lease Committee Report

There was no report this month.

PUBLIC HEARING *(3 minute time limit)*

There were no public hearings scheduled.

PENDING BUSINESS

A. Memorandum from Port & Harbor Advisory Commission to City Council Re: Cash Discounts on Cash, Check or Debit Transactions

Commissioner Zimmerman recommended that the Commission support implementing a 2-3% fee to accept credit cards. Discussion ensued regarding the Port being allowed to collect or charge a fee for payments paid by credit card.

ZIMMERMAN/WEDIN- MOVED TO RECOMMEND CITY COUNCIL CONSIDER ALLOWING PORT AND HARBOR TO COLLECT A 2% FEE TO OFFSET THE COST OF ACCEPTING CREDIT CARDS.

Further discussion continued on the benefit of offering the 2% reduction if customers pay their fees/bills by cash, check or debit card; the reality that a credit card payer would then be paying 5% higher rates; the 3% rate increase is required to address the need to increase the funds in the reserves; the fee the Borough charges for credit card payments; the different rates charged by credit card companies.

WEDIN/HARTLEY – FRIENDLY AMENDMENT TO THE MOTION TO READ, COUNCIL CREATE AN ORDINANCE THAT ALLOWS A PERCENTAGE TO COVER THE COST OF THE FEES.

Discussion on what the actual percentage should be to cover the costs associated with accepting credit cards for payment of services and how this would be determined and implemented. The cost if they start having to chase after bad checks again. The bad debt has been decreased substantially since accepting credit and debit cards. Each month they split the call list of non-payment accounts and most accounts are paid immediately with a credit card. It was noted that the accounts will pay with a credit card even with the additional 2% fee. It was believed that an additional fee would not stop or lessen the usage of the credit cards. The fees for credit cards are costing the Port & Harbor are up to about \$42,000. The overall sales amount is unknown at this time.

Commissioner Wedin called for the vote.

VOTE. (Amendment) YES. HOTTMAN, ZIMMERMAN, HARTLEY, ULMER, WEDIN

Motion passed.

The amended motion reads: MOVED TO RECOMMEND CITY COUNCIL CREATE AN ORDINANCE THAT ALLOWS PORT AND HARBOR TO CHARGE A PERCENTAGE FEE TO OFFSET THE COST OF THE FEES TO ACCEPT CREDIT CARDS.

VOTE. (Main) YES. WEDIN, ULMER, HARTLEY, ZIMMERMAN, HOTTMANN.

Motion passed.

B. Memorandum to City Council Re: Proposed Budget Amendments dated December 7, 2010

Chair Ulmer asked if Harbormaster Hawkins would like to expound on his memo to council.

Harbormaster Hawkins stated he would entertain any questions and explained why this memo was submitted.

Commissioner Hartley asked if anything was approved that directly affected the Harbor Budget. Harbormaster Hawkins stated that the Council approved the hiring of a Lobbyist and this position would help in getting the Fish Tax. Homer is the number one port for landing halibut. For Homer to get its share of the 3% tax the fish need to be processed in Homer. However, according to the State of Alaska description of "processed" that is not being accomplished in Homer so it has been losing out on approximately \$500,000 per year. Currently Homer receives

\$62,0000 - \$98,000 per year. This is a worthwhile argument and a difficult job for a lobbyist. This money is collected by the state and then distributed to the various communities.

There was no further discussion.

NEW BUSINESS

- A. Memorandum from Port Director Re: Alaska Regional Ports Conference dated December 8, 2010
 - a. Alaska Regional ports Conference Agenda

Harbormaster Hawkins made a few comments about this earlier but of some note now and in the future is more water in the Northwest Passage. There is great concern by the Coast Guard regarding what could be done to accommodate passengers from a very large Cruise ship that may have problems up there. There is no facility, hotel or otherwise that could accommodate that many people if it got into any trouble. This is something that will be getting more attention as time goes by.

There was no further discussion.

- B. 2011 Commissioner Attendance at Council Meeting Schedule

Deputy City Clerk Krause explained that the Commission needs to review and volunteer or put names in the months that the each can attend and make a report to council on what the commission is working on at the time.

The Commissioners discussed and each volunteered to take two months in the following order:

Chair Ulmer noted she was in class every Monday through May 6, 2011. She volunteered for May and August. Commissioner Hartley April and September, Commissioner Hottmann will take November and December. Commissioner Wedin will take March and October. Commissioner Zimmerman will attend January and July. Commissioner Carroll was appointed to February and the New Guy can have June.

Deputy City Clerk Krause will clean up the article and have it for the next commission packet. She explained what the "goal" was, by attending the council meetings and letting the Council know what the commission is focusing on such as the container system, long term parking, support for an issue such as recovery of money on the credit cards, etc.

There was no further discussion.

- C. Container System and Storage – Pages I43-47 from the 2005 Homer Area Transportation Plan

The Commission discussed the feasibility of establishing a container system and terminal in Homer. Harbormaster Hawkins stated that he believed there were a few components to making this a reality and they were developing a market, attracting a shipper, and developing a way to handle the containers. One that is feasible from a financial standpoint. He believes if they are to move ahead they need to develop a market then they can obtain the interest of the shipper. Then come up with a way to handle them. He provided an example using Anchorage as the regional hub in response to a question from Commissioner Hartley on cost savings comparative using Kenai/Soldotna and Homer. But if the regional Hub is Seattle, then Homer could provide a cost savings of 260 plus road miles. Chair Ulmer expressed that they pay the same amount shipping from Seattle to Anchorage then Anchorage to Homer. It was noted that the information provided backed it up and provided justification for building the Pioneer dock and home porting the Tustumena.

There was a brief discussion on the effects of preferential use by the Tustumena and the Hickory on the other end of it and the Homeland Security requirements preventing the roll off aspects. They still have the capability for roll on.

The numbers cited in the Homer Area Transportation Plan are quite high and dated and the Harbormaster opined that he was a bit skeptical on them. The information given was 20,000 containers in and 16,000 containers out. The Pioneer Dock is suitable for containers. It would not be feasible to shift operations to the Deep Water Dock. There was question on the cost of a fork lift. Dialogue continued on what it would take to make the Deep Water Dock feasible for containers and the immediate need is money and lots of it. Strengthening and widening the existing dock is required plus adding the additional span or wing in a second phase to enlarge the dock.

There was no further discussion.

D. Dredge Materials Management

Harbormaster Hawkins using the aerial view of the Spit indicated the migration of materials drifting east to west. In the summer a vast plume can be seen from the air and it will actually travel around the end of the spit and then back up. A portion of the materials backs up at the end of the spit. Proof is that the beach on one side of a barge that was parked for approximately 6 years was five feet higher than the other side of the barge. Materials are dredged twice a year. The Port is trying to assist in saving the USCG some dredging costs so they are putting together a project that will be done from land to dig a hole on the south side of the Hickory berth so that hole fills up before going down the spit. Chair Ulmer suggested using the dredged materials to build up areas for containers.

There was discussion and explanation on what can be done with the dredged materials, problems, potential costs to dredge the harbor, the amount of materials could be 45,000 cubic feet each year, some materials would be used for renourishment, repairs, etc. But to be able to sell the dredged materials off of the Spit needs to be addressed now.

HARTLEY/HOTTMANN – MOVED TO RECOMMEND CITY COUNCIL CONSIDER RESCINDING THE ORDINANCE TO ALLOW THE SALE OF SURPLUS DREDGE MATERIALS OFF OF THE HOMER SPIT AND THAT ALL REVENUES WILL BE RETAINED IN THE ENTERPRISE FUND TO OFFSET COSTS.

Commissioner Zimmerman questioned whether the motion should rescind the ordinance. This may allow people to just go out and remove materials from the spit. It was agreed that the motion should read "amend" not "rescind."

ZIMMERMAN/HARTLEY – AMEND THE MOTION TO STRIKE "RESCINDING" AND USE THE WORD "AMENDING" INSTEAD.

VOTE (Amendment). YES. HOTTMANN, ZIMMERMAN, HARTLEY, ULMER, WEDIN.

Motion carried.

VOTE (Main). YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

Item E. added for discussion only as it was requested by Commissioner Hartley but omitted by staff from the agenda.

E. Establishing a Fee Permit System for Long Term Parking

Commissioner Hartley would like to send a recommendation to the Council to institute a fee permit system for long term parking for more than seven days on the Homer Spit. He would like the Commission to recommend selling permits.

Chair Ulmer commented that the Commission could offer support of establishing a permit by fee system. Harbormaster Hawkins stated that it would be a long term fee permitted parking. It was noted by staff that

Council may postpone acting on establishing a fee permit system until the Spit Comprehensive Plan was approved. The Spit Comprehensive plan should be before Council in February and staff will check on the status. Commissioner Zimmerman felt that if the parking fee schedule is not affected by the Comp plan. Chair Ulmer requested the direction from staff on how the commission should best proceed. Staff recommended that the commission put this on the January agenda, since no action could be taken at this meeting; that this would have to be an ordinance and therefore need to have the city attorney draft; the ordinance could be then on Council agenda the first or second meeting in February for introduction. Clarification was made that it would be a sticker permit for anywhere on the Spit around the Harbor area, the permit will not apply to storage of trailers, campers, etc. Long term permits will not be allowed in choice spots next to ramps. All vehicles are to be operable and current on tags. There will be annual renewals on the permits. It was determined that permitting will offer better control and may in the future be directed to certain areas of the Spit. It was recommended to establish the permit system then branch out to other areas on the Spit.

Chair Ulmer requested this item to be on the agenda for the January meeting and if possible a draft of the proposed ordinance to be included.

There was no further discussion.

INFORMATIONAL MATERIALS

- A. Harbormaster's Monthly Statistical Report for November 2010
- B. Weekly Crane & Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report & Ferry Landings
- E. Water Usage Report
- F. Lease Expirations as of 8/31/09
- G. 2010 Commissioner Attendance at City Council Meetings
- H. Science Collaborative Agenda
- I. Memorandum to City Council Re: Approval of the 2011 Meeting Schedule as Amended

Chair Ulmer inquired if there were any comments or questions on the informational materials. Commissioner Hottmann mentioned that Mr. Dave Seaman approached him about having the cost of the "Rolphy" on the beach next September during the Wooden Boat Festival. He inquired if he has asked the Harbormaster about waiving the fee. Harbormaster Hawkins stated it was in his purview to waive fees but he would like a written recommendation from this commission. He has not spoken to Mr. Seaman about this yet.

Commissioner Hartley requested this to be on the January agenda. There were no further questions or comments on informational materials.

COMMENTS OF THE AUDIENCE

There were no comments.

COMMENTS OF THE CITY STAFF

Harbormaster Hawkins announced he will not be at the January meeting. He will be at the Seattle Boat Show marketing the Homer Harbor to the yacht crowd. Matt Clark will be at the meeting in his place. There is also another boat show, a trawler fest in May that he is interested in attending and feels it would be a better fit to fill in the space that is available during the summer season when everyone is out working. It would be a way to fill up the Harbor.

Deputy City Clerk Krause wished everyone a Merry Christmas and Happy New Year.

COMMENTS OF THE CHAIR

Chair Ulmer will not be at the next meeting. She will be attending a conference in Miami, Florida. Commissioner Wedin commented that it was a tough duty and the temp was 35 there today. Chair Ulmer, laughing, stated it had time to straighten out.

COMMENTS OF THE COMMISSION

Commissioner Hottmann wished everyone Happy Holidays.

Commissioners Zimmerman wished every a Happy Holidays and May the New Year be as good or better than this one.

Commissioner Hartley echoed those sentiments and thanked Deputy Clerk Krause for putting up with them.

Commissioner Wedin wished everyone Happy Holidays too and thanked staff for all the hard work.

ADJOURN

There being no more business to come before the Commission the meeting was adjourned by Chair Ulmer at 7:00 p.m. The next regular meeting is scheduled for January 26, 2011 at 5:00 p.m. in the City Hall Cowles Council Chambers.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: _____