PORT & HARBOR IMPROVEMENT COMMITTEE
491 E. PIONEER AVE.
HOMER, ALASKA

SEPTEMBER 22, 2011
THURSDAY, AT 5:30
CITY HALL WEST CONFERENCE ROOM

NOTICE OF MEETING
REGULAR MEETING AGENDA

1. **CALL TO ORDER**

2. **APPROVAL OF AGENDA**

3. **PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**

4. **RECONSIDERATION**

5. **APPROVAL OF SYNOPSIS**
   A. September 8, 2011 meeting synopsis Page 1

6. **VISITORS/PRESENTATIONS**

7. **STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**

8. **PUBLIC HEARING**

9. **PENDING BUSINESS**
   A. Review of Port and Harbor Finances

10. **NEW BUSINESS**
    A. Review Scenarios of Revenue from Harbor Fees, Potential Lease Income, Permanent Fund, and other venues in relation to Projects to Bond for and Bond Payments Page 5

11. **INFORMATIONAL MATERIALS**
12. **COMMENTS OF THE AUDIENCE**
13. **COMMENTS OF THE STAFF**
14. **COMMENTS OF THE COUNCILMEMBER**
15. **COMMENTS OF THE CHAIR**
16. **COMMENTS OF THE COMMITTEE MEMBERS**
17. **ADJOURNMENT/NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 6, 2011** at 5:30 p.m. in the Homer City Hall West Conference Room located at 450 Sterling Highway, Homer, Alaska.

Clerk's Office 9/20/2011 mj

Session 11-04, a Regular Meeting of the Port and Harbor Improvement Committee was called to order by Acting Chair Howard at 5:30 on September 8, 2011 at the City Hall West Conference Room located at 450 Sterling Highway, Homer, Alaska.

PRESENT: Hartley, Hawkins, Howard, Howard, Wythe

ABSENT: Lewis

STAFF: City Manager Wrede
Finance Director Mauras
Deputy City Clerk Jacobsen

AGENDA APPROVAL

The agenda was approved the agenda by consensus of the Commission.

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF SYNOPSIS

A. September 1, 2011 Meeting Synopsis

The synopsis was approved by consensus of the Commission.

VISITOR/PRESENTATIONS

No visitors were scheduled.

STAFF & COUNCIL REPORTS

There were no staff or council reports.

PUBLIC HEARING

No public hearings were scheduled.

PENDING BUSINESS

A. Review of Port and Harbor Finances

There were no specific comments regarding harbor financials.

Mrs. Wythe commented that the permanent fund ordinance has wording for an option to use some of the fund for the purpose of bonding for city projects. Finance Director Mauras reviewed HCC 3.12.070 that principal from the income sub fund may be used as a loan and

not a grant, the project must receive a majority of its funding through another source, and may be done on terms approved by a Council resolution, and paid back in a reasonable amount of time.

Harbormaster Hawkins commented regarding last meetings discussion of the ability to rent space out of the Harbormaster's office. He said he has had inquiries including the Coast Guard Marine Safety Detachment group out of Kenai is considering moving their office to Homer.

There was that discussion permanent fund money could be a way to move forward with funds from Fish and Game for the launch ramp.

NEW BUSINESS

A. Meeting Schedule- Cancellation of the September 15, 2011 Meeting.

Chair Howard noted that she and Mr. Howard would both be out of town and she questioned if the Committee wanted to cancel the September 15 meeting.

WYTHE/HOWARD MOVED TO CANCEL THE SEPTEMBER 15, 2011 MEETING.

There was no discussion.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

B. Work Schedule- Consideration of Requesting Time Extension Beyond November 1

Mrs. Wythe expressed that she is not in favor of requesting a time extension. In her mind, the committee's scope is to make recommendations to council regarding bonding, how it will work, a list of projects that could be done with the amount of bonding the city could afford, and a recommendation of a repayment plan. From there the council can provide additional direction to the committee, and then they can start the other things like meeting with the Port and Harbor Commission, holding public hearings, and so forth. Her intent with the resolution was to get a recommendation to Council by November for direction on whether or not to proceed.

The Committee agreed that meeting every two weeks would be adequate to establish the plan to take to Council. It was brought up that in the group needs to get serious about revenue stream we could create, what it would generate, and what legislation needs to be in place to allow it.

Mrs. Wythe requested a list of what projects would be eligible for matching funds and what the percentages of matching funds are.

C. Memorandum From City Manager Re: Projects to Include in Bond Sale and Criteria for Making Selection of Projects

City Manager Wrede reviewed his memorandum and the project descriptions of other projects that were suggested in earlier meetings.

Mrs. Wythe asked if the people who are interested in leasing office space could be contacted to see if there is a true interest and their anticipated need. A lease agreement in hand could affect how much can be bonded for the new building. Other members suggested contacting local agencies like the hospital and the State Troopers as well.

Chair Howard recapped the schedule for the upcoming meetings. September 22 review financial reports and responses to earlier questions, October 6 discuss project rankings, and October 20 finalize a draft proposal to forward to Council.

Regarding financial reports for staff to have for the next meeting include a review of the permanent fund ordinance for loan possibility, lease revenues for a new building, which projects are eligible for matching funds, and potential revenues from fee increases.

There was discussion about breaking the load and launch ramp out as a separate project and what the user fee would be needed to have that user group cover the City's portion of the match.

Discussion returned to the evaluation and ranking system to be used for the projects. The Committee considered using a weighted scale based on the criteria outlined in the City Manager's memorandum as follows:

Is the Project on the Enabling Resolution—15 points
Does the Project Address a Health and Safety Issue—15 points
Does Bonding for this Project Leverage Other Money—20 points
Does the Project Stimulate Economic Development and Job Creation—10 points
Does the Project Provide Revenue for the Enterprise Fund—15 points
Does the Project Improve Service Delivery to Our Customers—15 points
Identifiable Revenue Stream from the Benefitted User Groups to Retire the Debt—10 points

WYTHE/HOWARD MOVED TO USE THIS EVALUATION SCHEME FOR ALLOCATING POINTS TO PROJECTS.

There was discussion that they would rank the ones on the enabling resolution and those presented tonight.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

WYTHE/HOWARD MOVED TO REDUCE THE ENABLING RESOLUTION POINT VALUE TO 5 AND SPLIT BETWEEN ALLOCATING 5 POINTS TO STIMULATING ECONOMIC JOB CREATION AND 5 POINTS TO IDENTIFIABLE REVENUE STREAM.

Chair Howard reviewed the new ranking as 5, 15, 20, 15, 15, 15, and 15.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

D. Establish Committee Work Plan and Assignments

There was no discussion of this agenda topic.

INFORMATIONAL ITEMS

There were no informational items.

COMMENTS OF THE AUDIENCE

There were no audience comments.

COMMENTS OF STAFF

There were no staff comments.

COMMENTS OF THE CHAIR

Chair Howard had no comments.

COMMENTS OF THE COMMITTEE MEMBERS

There were no Committee comments.

ADJOURN

There being no further business to come before the Committee the meeting adjourned at 6:15 p.m. The next meeting is scheduled for October 6, 2011 at 5:30 at the City Hall West Conference Room.

_____
MELISSA JACOBSEN, CMC, DEPUTY CITY CLERK

Approved: _____

City of Homer
2012 Operating Budget

Fund 400 600 - Port & Harbor Fund Revenues					Rate Increase on Operating Revenue only					
	FY2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Budget	2% Rate Increase	5% Rate Increase	7.5% Rate Increase	10% Rate Increase	20% Rate Increase	30% Rate Increase
Administration 600										
4515 Ferry Lease	$ 18,000	$ 18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
4650 Rents & Leases	258,439	260,417	294,351	275,000	280,500	288,750	295,625	302,500	330,000	357,500
Sub-Total Operating Revenue	**$ 276,439**	**$ 278,417**	**$ 312,351**	**$ 293,000**	**$ 298,500**	**$ 306,750**	**$ 313,625**	**$ 320,500**	**$ 348,000**	**$ 375,500**
4527 PERS Revenue	89,477	89,029	48,469	-	-	-	-	-	-	-
4634 Port Storage Fees	16,235	16,116	20,758	16,000	16,000	16,000	16,000	16,000	16,000	16,000
4635 Port Impound Fee	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000
4705 Business License	45	250	35	225	225	225	225	225	225	225
4801 Interest on Investments	-	-	574	-	-	-	-	-	-	-
4901 Surplus Property Sale	37,597	44,598	49,853	28,000	28,000	28,000	28,000	28,000	28,000	28,000
4902 Other Revenue	264,771	-	1,094	500	500	500	500	500	500	500
4906 Proceeds-Law Suit	16,660	-	-	-	-	-	-	-	-	-
Total Non-Operating Revenue	**424,786**	**149,994**	**120,783**	**45,725**	**45,725**	**45,725**	**45,725**	**45,725**	**45,725**	**45,725**
Harbor 601										
4245 Waste Oil Disposal Recovery	7,747	1,540	7,119	8,000	8,160	8,400	8,600	8,800	9,600	10,400
4249 Oil Spill Materials Recovery	-	-	1,317	1,000	1,020	1,050	1,075	1,100	1,200	1,300
4318 Parking Revenue	14,017	13,588	15,752	16,000	16,320	16,800	17,200	17,600	19,200	20,800
4319 Sale of Electrical Supplies	2,322	838	2,343	2,500	2,550	2,625	2,688	2,750	3,000	3,250
4624 Berth Rent Transient Monthly	356,505	385,821	371,878	397,580	405,532	417,459	427,399	437,338	477,096	516,854
4625 Berth Rent-Reserved	745,034	821,015	871,887	849,750	866,745	892,238	913,481	934,725	1,019,700	1,104,675
4626 Berth Rent Transient Annual	128,661	102,866	129,350	113,300	115,566	118,965	121,798	124,630	135,960	147,290
4627 Berth Rent Transient Semi-Annual	62,594	66,376	70,809	84,460	86,149	88,683	90,795	92,906	101,352	109,798
4628 Berth Rent Transient Daily	70,074	76,545	80,768	72,100	73,542	75,705	77,508	79,310	86,520	93,730
4629 Metered Energy	64,260	87,213	51,912	88,000	89,760	92,400	94,600	96,800	105,600	114,400
4644 Pumping	484	119	238	1,700	1,733	1,784	1,827	1,869	2,039	2,209
4645 Wooden Grid Use	5,268	7,526	6,034	9,064	9,245	9,517	9,744	9,970	10,877	11,783
4646 Commercial Ramp/Beach Landing	4,772	3,587	6,979	3,605	3,677	3,785	3,875	3,966	4,326	4,687
4647 Berth Waiting List	8,388	7,273	7,013	10,300	10,506	10,815	11,073	11,330	12,360	13,390
4648 Steel Grid Use	16,068	15,254	15,929	15,450	15,759	16,223	16,609	16,995	18,540	20,085
4653 L and L Ramp	92,606	97,267	84,607	103,000	105,060	108,150	110,725	113,300	123,600	133,900
4663 Transient Energy 110 Volts	31,653	29,388	31,503	33,000	33,660	34,650	35,475	36,300	39,600	42,900
4664 Transient Energy 220 Volts	13,710	12,288	19,025	13,000	13,260	13,650	13,975	14,300	15,600	16,900
4665 Transient Energy 208 Volts	67,706	85,153	69,572	88,000	89,760	92,400	94,600	96,800	105,600	114,400
4666 Commercial Ramp/Beach Wharfage	1,406	262	935	2,000	2,040	2,100	2,150	2,200	2,400	2,600
4672 Port Security	-	-	21,870	37,800	38,556	39,690	40,635	41,580	45,360	49,140
Sub-Total Operating Revenue	**1,693,272**	**1,813,917**	**1,866,840**	**1,949,609**	**1,988,601**	**2,047,089**	**2,095,829**	**2,144,569**	**2,339,530**	**2,534,491**
4802 Penalties & Interest	15,799	9,827	17,489	15,000	15,000	15,000	15,000	15,000	15,000	15,000
4902 Other	43,940	59,331	49,766	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Sub-Total Non-Operating Revenue	**59,739**	**69,158**	**67,255**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**	**70,000**
Total Harbor Revenues	**$ 1,753,010**	**$ 1,883,075**	**$ 1,934,095**	**$ 2,019,609**	**$ 2,058,601**	**$ 2,117,089**	**$ 2,165,829**	**$ 2,214,569**	**$ 2,409,530**	**$ 2,604,491**

	2% Rate Increase	5% Rate Increase	7.5% Rate Increase	10% Rate Increase	20% Rate Increase	30% Rate Increase
Additional Revenue by Rate Increase	$ 68,471	$ 171,179	$ 256,768	$ 342,357	$ 670,889	$ 1,027,071

Estimated Bond Payments:

Loan	$5,000,000
Annual Payment	$400,000

Permanent Fund: Chapter 3.12.070 - Loans from sub-fund: The principal of the income sub-fund may be used as a source of loan funds for city capital projects, and not as a grant. To be eligible for such a loan the project must receive a majority of its funding from other sources.

Balance in Income Sub-Fund is $863,000 available for loan as of 12/31/2010.

RESOLUTION 11-060

		Grant Match	
Harbormaster Office	$ 2,875,000		
Harbor Entrance Erosion Control	600,000		
Ramp 3 Gangway Replacement	1,700,000	50/50	Municipal Harbor's Grant Fund
Harbor Float Replacement	3,500,000	50/50	Municipal Harbor's Grant Fund
Upgrade System 5 - Vessel Shore Power & Water	530,000	50/50	Municipal Harbor's Grant Fund
~~Fishdock Restrooms~~	~~400,000~~		
	9,205,000		
Load & Launch Ramp Improvements	4,000,000	50/50	Municipal Harbor's Grant Fund