

Session 12-06, a Regular Meeting of the Port and Harbor Improvement Committee was called to order by Chair Howard at 5:35 on May 3, 2012 at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: Hartley, Hawkins, Howard, Howard, Wythe

ABSENT: Lewis

STAFF: City Manager Wrede
Deputy City Clerk Jacobsen

AGENDA APPROVAL

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

PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA

There were no public comments.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF SYNOPSIS

A. April 19, 2012 Regular Meeting Synopsis

The synopsis was approved by consensus of the Committee.

VISITOR/PRESENTATIONS

STAFF & COUNCIL REPORTS

PUBLIC HEARING

PENDING BUSINESS

NEW BUSINESS

A. Draft Resolution Re: Requesting the Kenai Peninsula Borough Pass Through the Fish Tax that is Generated by the Port of Homer

City Manager Wrede provided the draft resolution to the committee as a laydown item. Borough Assemblymember Haggerty was in attendance and participated in the discussion.

WYTHE/HOWARD MOVED TO APPROVE THE DRAFT RESOLUTION PROVIDED BY STAFF.

Assemblymember Haggerty reviewed the schedule for the Borough budget approval process, and predicted resistance from the Finance Director. The Chief of Staff was open to discussing the revenue stream which was encouraging, but it was noted that other cities will likely

follow suit. Assemblymember Haggerty said he would be happy to introduce an ordinance to the assembly.

The group discussed that the fish tax is broken down into three different taxes, they noted an issue is that the fish landed in Homer isn't processed here, and whether there is a way to accomplish a means of processing fish that comes over the dock in an effort to qualify for more funds. Assemblymember Haggerty referenced house legislation and expressed that rather than enforcing processing, the other option is changing the rules.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Assemblymember Haggerty said he would help move an ordinance through for this amendment to the Borough's budget.

B. Recommendations from the Port and Harbor Advisory Commission regarding Tariff Rates and Amending the Scope of Projects.

HOWARD/HOWARD MOVED THE COMMITTEE ADOPT THE RECOMMENDATION OF THE PORT AND HARBOR COMMISSION FOR TARIFF ADJUSTMENTS AND PROJECTS INCLUDED FOR BONDING.

Mr. Howard expressed that as an appointed committee member from the Port and Harbor Commission he feels it's important that he support the recommendations of the Commission. The Commission is viewing the program in a conservative light as they are concerned about the long term ability to raise money to pay off the bonds and would like to bond for the projects where there is matching funds and put remaining revenue raised toward maintenance reserves.

Mrs. Wythe stated that taking that approach is 100% outside the purpose of starting this endeavor. The objective is to stop waiting for what we need as the harbor deteriorates. The harbor building has been on the CIP list for the longest time, it has the highest potential for liability if an employee was hurt in the building. She appreciates the Commission's conservative view but the Committee is putting out their best broad brush picture for funding through the bond request. When it gets down to what we have funding for, then address what to bond for. Narrowing it back puts us in a position to have to bond again.

Mr. Howard believes the Commission has come a long way in changing their minds that we do need to raise more revenue for maintenance. The harbor office is a bone of contention with the Commission. He explained that it could take years to get a new harbor office, but the majority came down to this recommendation.

They continued to express their views on both side. Mr. Howard said they need to have an audit to tell us where we need to be with the facility and also to know what can or can't be done with the existing building.

Mr. Hartley noted another issue of concern from the Commission's public hearing is that the charters are taxed at 100% but none of the money comes back to the harbor. Point was raised that the City only gets 3% and those sales tax dollars provide police and fire support to the harbor.

They addressed the deadlines for the state grants that are coming up and the need to have the projects identified and the fee increases in place. It is also important for the groups supporting the bonding to know what projects they are paying for.

Mr. Hawkins remembered the comments at the public hearing about the load and launch ramp and include it on the municipal harbors application to help ensure that funds will be available for the project without any cost being incurred by the City.

HAWKINS/HOWARD MOVED TO AMEND TO INCLUDE THE LOAD AND LAUNCH RAMP IN THE PROJECTS LIST.

There was brief discussion that this is relative to the state grant fund program.

VOTE: (Amendment): NON OBJECTION: UNANIMOUS CONSENT

Motion carried.

There was no further discussion of the main motion as amended.

VOTE: YES: HAWKINS, WYTHE, HOWARD, HARTLEY, HOWARD

Motion carried.

Chair Howard called for a break at 6:24 p.m. and the meeting resumed at 6:30 p.m.

C. Development of Recommendations from Port and Harbor Improvement Committee to the City Council Supporting the Bond Projects.

The Committee considered the timelines for granting and for bonding. They discussed the timelines for granting and bonding. The City Attorney can map out a strategy and the Council needs to approve the projects, authorize administration to apply for the grant monies and apply for bonding.

They reviewed the work summary to pass the tariff amendments and pass the resolution for funding.

The harbor office was discussed and the body agreed that it shouldn't be forgotten. It is a municipal office that houses employees and is also accessed by the public. An assessment of the current condition and future needs to be done so the city will have a better understanding on how to proceed. This is also necessary information to have available when talking to our legislators about funding.

HOWARD/HARTLEY MOVED TO INCLUDE IN RECOMMENDATION TO COUNCIL THAT WE BOND FOR \$5 MILLION.

Mr. Howard commented that we need to ensure there is enough money to carry out the listed projects. If the projects for bonding come in at a decent cost, there may be reserve money left to help with the harbor office.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

In relation to tariff amendments the committee recognized this will be the last tariff amendment until the budget season.

HOWARD/HARTLEY MOVED TO INCREASE THE COST OF ICE BY 10% IN THE TARIFF TO GATHER MONEY TO PROVIDE OPERATIONS AND MAINTENANCE OF THE ICE HOUSE.

Mr. Howard commented that they removed the ice fee increase for the revenue bond funds, but recognizes there is a need to increase those fees for the purpose of operations and maintenance of the ice house.

VOTE: NON OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was discussion of fish dock contributions to the reserves and the ice house improvements that are on the CIP list.

INFORMATIONAL ITEMS

- A. Municipal Harbor Grant Information
- B. Article Re: Kodiak Harbor Rate Increase

Mr. Hawkins reviewed the Kodiak harbor rate information.

COMMENTS OF THE AUDIENCE

Cathy Ulmer, city resident and Port and Harbor Advisory Commission Chair, explained the Commission thinking about the building. They approached it seemed redundant because we are looking for a stop gap measure, it's included in the bonding, and the public is livid. They think there needs to be more time taken to education themselves and the public and find a right way to do it right and including overslope and bathrooms. She thinks they have time to do it.

COMMENTS OF STAFF

There were no staff comments.

COMMENTS OF THE COMMITTEE MEMBERS

Mr. Hartley commented that he still sees inequities in the tariff changes. The charter operators use the harbor as much as anyone as far as making their living and the amount of traffic in the harbor, and so forth, yet only revenue the harbor gains from them is from their stalls. It's an inequity as far as the use is concerned; the tariff should be based on use.

Mr. Hawkins expressed his appreciation of the group and their help with this., It has been a long haul and a lot of work has gone in to it. He thinks we are going to achieve some improvements, which was their goal going in to it. He thinks the public is being well served.

Mr. Howard commented that back when the council approved money for a cost estimate on the projects, he doesn't believe all the money was used. He questioned if review of the harbor office could be done under the money council approved.

Staff said they would check into it.

Chair Howard requested the next committee agenda include asking to use some port and harbor money and get the guy over from Kodiak to do an independent audit for our harbor as well. It's like the kids won't listen to their parents, but when the neighbor says something it gets their attention. When we provide information and photos it isn't acceptable, but she noted that when the university did the water and sewer calculations, no one liked that report.

ADJOURN

There being no further business to come before the Committee the meeting adjourned at 6:43 p.m. The next meeting is scheduled at a time to be determined at the City Hall Conference room located at 491 E. Pioneer Avenue, Homer, Alaska.