

Session 13-11, a Special Meeting of the Port and Harbor Advisory Commission was called to order at 5:03 p.m. by Chair Ulmer on December 4, 2013 at the City Hall Upstairs Conference Room located at 491 E. Pioneer Avenue, Homer, Alaska.

PRESENT: COMMISSIONER ZIMMERMAN, ULMER, DONITCH, HARTLEY, CARROLL, HOWARD AND STOCKBURGER

STAFF: HARBORMASTER HAWKINS
CITY MANAGER WREDE
DEPUTY CITY CLERK KRAUSE

Chair Ulmer recognized and welcomed Commissioner Donitch

APPROVAL OF THE AGENDA

HOWARD/HARTLEY – MOVED TO APPROVE THE AGENDA.

There were no discussions.

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 at this time.

RECONSIDERATION

There were no items for reconsideration.

APPROVAL OF MINUTES

A. Special Meeting Minutes for October 30, 2013

HOWARD/STOCKBURGER - MOVED FOR APPROVAL OF THE MINUTES AS WRITTEN.

There was one correction noted.

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. Staff Report for November 2013

Harbormaster Hawkins provided a summary on his report included in the packet. He additionally provided some details on the following:

- A meeting with contractors on the System 5 project
- The weekly meeting on the Deep Water Dock and Spit Trails Project
- Tidal Incubator Teleconference
- Details regarding creating a Vessel of Concern Contract
 - have denied access to unwanted vessels
 - established a security bond level that a firm can be hired
 - The State is pretty defenseless regarding derelict vessels
 - A Task Force is being created by the State to address the problem and create a plan of action
- Attended Car Rental Training – very informative provided some industry do and don't and what to watch out for on the contracts that are signed
- Meeting of the Harbor Office Task Force
 - Participated in a teleconference with Nelson Engineering & Public Works
 - Determine a more appropriate location for the communication towers used by Fire & Police
 - Issues with the tower being on the building under the high mast lights
 - Consideration is being given to locating the tower at the load and launch ramp
 - will increase the cost of the building if included
- Met the new plant manager for Pacific Star Seafoods interested in short term lease as a fish buyer
- Attended a Marine Trades Association meeting
 - There is a meeting tomorrow evening at 6:00 p.m. Northern Enterprises, Bulletproof Nets Shop
- participated in a teleconference with Katie Koester and Buccaneer Alaska on the Endeavor Rig returning to the Harbor.
 - It is the intent to go straight from Port Graham to the Stariski job site.

Mr. Hawkins commented on the recent Expo in Seattle he attended and the AAHPA conference in Valdez. The partnership at the Expo with the Marine Trades Association has been beneficial for both the vendors and the Port. The Docks continue to be very busy with business from the oil trades.

There was a brief discussion on changing over to LED lighting for the harbor. There is a cost up front but maintenance and cost is where the savings will be. There will be a 3 year period to recoup the costs. A brief statement on the winter power usage and number plugged in to the meters.

PUBLIC HEARING *(3 minute time limit)*

There were no public hearings scheduled.

PENDING BUSINESS

There were no items to address under Pending Business.

NEW BUSINESS

- A. Memorandum from Port Director/Harbormaster Re: Potential Port of Homer Haul-out and Repair Facility dated November 26, 2013

Chair Ulmer introduced to item and invited Mr. Hawkins to open discussion on it.

Mr. Hawkins reviewed the memorandum and discussion was entertained on the pros and cons for building a Haul-out and Repair Facility. The commissioners entertained comments from the audience members in an open discussion format.

Mr. Hawkins stated that there is a real economic and market for the creation of the business. It would benefit the entire community. It was noted that it would create justification for a larger harbor.

Some points discussed or noted were:

- Ability to offer full service facility for the larger vessels
- Creates a new revenue stream for the Port
- How to best operate a facility
 - Cooperatives
 - City
 - Private enterprise
- Travel lifts are extremely expensive
- Barge fleet, tug fleet, crab boats
- On the road system, climate, services are local
- Types of systems that could be employed
- Beneficial for the entire community bringing additional year round employment

Chair Ulmer after numerous comments stated she would like to see a committee formed to address this idea and to work on the details and bring their recommendations back to the commission.

Mr. Hawkins commented that he has talked with the City Manager regarding redefining the Capital Improvement Project. He then commented on the use of bags for servicing barges.

Further comments were offered on the use of different methods to lift or move vessels, also what value the City will bring to the table and if the city should manage and operate it. He requested some direction and expression of support for the project from the commission. It was noted that Council would have to approve making a project out of this idea.

City Manager Wrede confirmed that council would have to approve the project but until it was ready for that having another sub-group formed to look into the options would be important to answer what would be the city's investment in this project. They could answer some economic questions related to the operation. He agreed that it was an exciting project and that the interest and market was there. He further noted that if the commission did the research then submit the recommendation to council to change the project on the CIP and then a strategic plan could be addressed which would include the economic advantages, etc.

Further discussion ensued regarding the pros and cons of having a Haul Out and Repair Facility and whether the city does this or it is provided by a private business or a cooperative is formed. It was noted that this was big business for the city and the Chamber should be involved. The CIP project for a railway could be changed to Haul-out Facility was confirmed by the City Manager and Mr. Hawkins. Conversations must be held with the larger vessel owners to see if they would provide a commitment to get this project going.

Chair Ulmer further added that it would be great to see the Harbormaster involved or one of his staff and members of the community plus someone from the Marine Trades Association. She believed that the number should be around 5 but no greater than 7 members to be effective.

CARROLL/HARTLEY – MOVED TO FORM A COMMITTEE TO LOOK INTO THE DETAILS OF HAVING A HAUL-OUT AND REPAIR FACILITY.

There was a brief discussion and comments from Billy Squires. The committee should be comprised of at minimum five members with the harbormaster involved. Additional discussion on getting the word out there that there is a committee being formed and allowing participation to represent the Marine Trades. The committee should also report back to the commission. Commissioner Stockburger and Carroll will be on the committee. It was requested to send notice to the public.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

B. 2014 Port and Harbor Budget

Chair Ulmer read the title into the record. She asked who would be guiding the commission through the document. Mr. Hawkins would do his best to explain the document.

The commissioners disseminated the proposed budget inquiring about items related to the following:

- Projected revenue for 2014
- Projected revenue from the Deep Water Dock
 - Mark Up the Water Sold
- Pioneer Dock and Fishdock are being subsidized
 - the Ice Plant and Cranes raise the costs
 - both would be costly to replace
 - there is a huge depreciation
- Berth rent
- Other Charges (Administrative Fees)
 - why the \$130,000 increase in fees
 - this was explained as services provided by other departments that would otherwise be contracted out by the enterprise.
 - represent 33% of labor costs
 - Cost Allocation Sheet showed that the following percentages are allocated as follows:
 - 11.3% Mayor & Council - Example of classic overhead costs
 - 26% to City Clerk
 - 26% to City Manager
 - 16% to Personnel – Harbor personnel issues or concern
 - 16% to IT
 - 10% to Finance
 - 15% to Janitorial
 - 9% to Public Works
 - if there were steps that could be implemented to reduce this cost to the enterprise fund

Mr. Hawkins understood the concerns expressed by the commission and explained that it takes the whole organization to properly run the Enterprise. He provided an example regarding the Project Manager for the Construction Projects.

A brief discussion on the inclusion of administrative fees in construction projects and including increases for health care costs.

- What is the Advertising costs
 - this covers advertisements in publications
 - the Expo
- Credit Card Fees
 - recommended shopping again for lower fees
 - increase in usage
 - increase in fees
 - lower costs in collection services or fees
- Port & Harbor Administration maintenance
- Fish Dock revenue is down
- Reserves are increased
 - will make another contribution to reserves in the Spring

Upgrades to Bike Path were funded by the \$6 Million dollar Cruise Ship Passenger Improvement Grant for Emerging Ports. It was based on the efforts of the lobbyist who jumped on an opportunity.

C. Memorandum from City Clerk Re: 2014 Meeting Schedule

Chair Ulmer read the title into the record and inquired if everyone was able to attend the dates as written. There was no objection presented.

Ms. Krause requested a motion to approve the schedule.

HOWARD/STOCKBURGER – MOVED TO APPROVE THE 2014 MEETING SCHEDULE AS PRESENTED.

There was no discussion.

VOTE. YES. UNANIMOUS CONSENT.

Motion carried.

D. Memorandum from Deputy City Clerk Re: Consideration of December 18th Regular Meeting

Chair Ulmer requested comment from the commission on the need for another meeting.

Commissioner Howard will be out of town for the meeting.

A brief discussion on the need for a meeting and if there would be enough materials for a meeting.

HOWARD/DONATCH – MOVED TO CANCEL THE DECEMBER 18, 2013 MEETING OF THE PORT & HARBOR COMMISSION.

There was no further discussion.

VOTE. YES. NON-OBJECTION. UNANIMOUS CONSENT.

Motion carried.

INFORMATIONAL MATERIALS

- A. Monthly Statistical & Performance Report October 2013
- B. Weekly Crane and Ice Report
- C. Deep Water Dock Report
- D. Pioneer Dock Report and Ferry Landings Report
- E. Water Usage Report
- F. 2013 AAHPA Resolutions
- G. 2013 Council Meeting Attendance Schedule

Chair Ulmer commented on the purpose of the Attendance Schedule and requested the commissioners to attend the Monday Council meeting. Ms. Krause inquired if there was a volunteer to attend the January Council meetings since the commission will not be meeting again this year to update the schedule. Chair Ulmer stated she would attend the meeting on January 13th and encourage other commissioners to attend the second council meeting. This will be on the January agenda to update.

There was no further discussion.

- H. 2013 Strategic Plan

Chair Ulmer requested that the Clerk update all the dates on the strategic plan and add the Haul-out and Repair Facility to the plan. The Clerk noted that it can be added to the January agenda for the Commission to take action on updating the Strategic Plan.

Commissioner Zimmerman inquired about the status of the parking lot between the Seafarer's Memorial and the boardwalk. This project will be using funds from the HART which is a long shot. It is understood that the commission believes the funding should come from the General Fund. A resolution is going before Council at the next meeting.

Commissioner Stockburger commented on a vendor at the Expo promoting an epoxy that can solidify gravel parking lots at a greatly reduced cost. The product is water based too.

COMMENTS OF THE AUDIENCE

Todd Hoppe, resident, running boats and now operating a boat. We are in the Banana Belt and have great weather. There was a lot of excited when Herndon dug that hole. He stated that Kodiak was destined to fail from the get go since they based their business on the big trawl fleet which of course then sails south for whiting. He further commented that the air bladder system can handle deep draft vessels such as he has although he would have to be sedated the first time his boat is hauled out. In Asia and Europe that is all they use. He felt that the travel lift would be too expensive but the bag system would work. A concrete pad and step wall is all that is needed. He has tried working in Seward but it rains so much there and hard you can't weld there. Here it doesn't rain that hard and you can.

There is never a perfect yard but if you can offer both then you can have constant revenue. You have to either bring everything over with you plus have the cost of a hotel stay. Seward has become very complicated and Kodiak has some pluses too. Here he could go home at night.

Gary Squire commented that he recalled losing only 12 days due to weather, he further noted that he has been out on the spit sand blasting in April. Our weather is the best. You can't find anything in Seward. In Homer they will discount rates in the hotels and you find cheap lodging.

Billy Greenstreet, Jr. employed by In Demand Marine stated that the services they have here and accessibility to the highway and the airport we definitely have a better harbor and area here to the work and even Anchorage can't offer anything. He was really amazed that Juneau hard to find anything. We have a lot here to offer if you haul out here.

Kate Mitchell, city resident & owner of Nomar Manufacturing, stated that the Marine Trade Association is a 501c6 organization and is comprised of 168 members. They have been meeting on a monthly schedule. She commented that they must thank Northern Enterprises for having the facilities that they do, she recounted how it was when they arrived here in the 1970's from Ketchikan. She commended the work done on the Harbor. Anything the Marine Trades can do to make this happen let them know. They are extremely happy to see this on the agenda and that there are several motivated people in this town. The strength and the community is the harbor. Having the haul out and repair facility in Homer would keep those big boats here. She recommended that the air bags may be a start but with all the regulations that come down they need to plan for a facility because those regulations are heading this way. She went on to state that even if it is a private enterprise it would mean more revenue for the city. Ms. Mitchell noted that it is a progressive thing and it is good to see some progress on it.

Matt Alward, fisherman, owner of Bulletproof Nets, Vice President of the Marine Trade Association he commented that there is a need and is pretty confident that if they have a facility here it will be used. There is a lot of work to do to figure it out but he knows there are a lot of people willing to do the work.

COMMENTS OF THE CITY STAFF

Ms. Krause commented that as always it was pleasure to work with the commission.

Mr. Hawkins stated that the No Wake Buoy has been ordered and will be placed in the spring; he suggested attendance at the next Council meeting on Monday to speak in favor of the parking lot improvements. Mr. Hawkins noted that Homer has worked hard to provide and keep an open facility for everyone. His goal is to make sure that it would be open access but that there may be a preferred contractors list. He wanted to make sure that there was competitive pricing from the contractors because that benefits the customers and the Harbor is representing the customers. Mr. Hawkins did state that on the chip pad there is an engineering project now to treat the water runoff from that parcel. This will also fit nicely with the future use as far as the Haul out goes.

Mr. Wrede appreciated the conversation, it was good to hear. The Chip Pad is the long term project but reinforces for him that they are doing the right thing on the Pier One parcel and it is generating more and more business not inconceivable that they can do some improvements there in fact Brian has suggested installation of mooring buoys, making it easier to haul vessels up and it is not out of the

question that a building could be constructed in that location within a shorter time period. Mr. Wrede commented that it was nice to see Marine Industrial being conducted on that parcel reclaiming the area. Mr. Wrede noted that there was support from the Mayor to include a member of the Marine Trades Association on the Economic Development Commission.

COMMENTS OF THE CHAIR

Chair Ulmer commented that she appreciates all the comments and the public for coming to the meeting. She welcomed Commissioner Donatch. She also appreciated all the efforts from the staff to help them understand all this stuff.

COMMENTS OF THE COMMISSION

Commissioners Zimmerman commented that they should rename the Chip pad the Haul-Out Pad or something more appropriate.

Commissioner Hartley appreciated the folks coming and commenting on the project and offering their assistance and support.

Commissioner Howard asked if there was anything in the budget to help out the Marine Trades Association. It was noted that the general fund supports the Chamber and he wondered if the City should support this organization. He noted that he did know a Councilmember that would possibly support that recommendation and he will talk to them about that possibility.

Commissioner Donatch had no comments.

Commissioner Stockburger is really excited to see this coming together.

Commissioner Carroll echoed Mr. Stockburger sentiments on the project and committee and looked forward to seeing all the "what ifs" and funding possibilities come together.

ADJOURN

There being no more business to come before the Commission Chair Ulmer adjourned the meeting at 7:28 p.m. The next regular meeting is scheduled for January 22, 2014 at 5:00 p.m. in the City Hall Cowles Council Chambers, 491 E. Pioneer Avenue, Homer, Alaska.

RENEE KRAUSE, CMC, DEPUTY CITY CLERK I

Approved: _____