

Session 21-02, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Steve Zimmerman at 5:04 p.m. on February 24, 2021 in the Cowles Council Chambers, City Hall located at 491 E Pioneer Avenue, Homer, Alaska via Zoom Webinar.

**PRESENT:** COMMISSIONERS ZIMMERMAN, ZEISET, STOCKBURGER, SIEKANIEC, ULMER, MATTHEWS

**ABSENT:** COMMISSIONER ERICKSON AND STUDENT REPRESENTATIVE ENGBRETSSEN

**STAFF:** PORT DIRECTOR/HARBORMASTER HAWKINS  
DEPUTY CITY CLERK TUSSEY

**AGENDA APPROVAL**

Chair Zimmerman welcomed new commissioners Crisi Matthews and Casey Siekaniec. He asked for a motion to approve the agenda.

ULMER/STOCKBURGER – SO MOVED.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

**PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA**

**RECONSIDERATION**

**APPROVAL OF MINUTES**

- A. February 26, 2020 Regular Meeting Minutes
- B. January 27, 2021 Regular Meeting Minutes

Chair Zimmerman spoke to how the City Clerk's Office discovered the February 2020 meeting minutes had not been formally approved at the PHC's March 2020 meeting due to COVID-19 staffing issues. He asked for a motion to approve the minutes.

STOCKBURGER/ULMER MOVED TO APPROVE BOTH SETS OF MEETING MINUTES FOR FEBRUARY 26, 2020 AND JANUARY 27, 2021.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

### **VISITORS/PRESENTATIONS**

- A. Melissa Jacobsen, MMC, City Clerk – Advisory Body Training (laydown items)

Chair Zimmerman noted that City Clerk Jacobsen has rescheduled this training to the next PHC meeting on March 24<sup>th</sup>. There will be a Worksession at 4:30 p.m. just before the 5:00 p.m. regular meeting.

### **STAFF & COUNCIL REPORT/COMMITTEE REPORTS**

- A. Port & Harbor Staff Report for February 2021

Port Director Hawkins facilitated discussion on his written report, including the following topics:

- Update on the Port Expansion Project; definition of Port vs. Harbor and how the differentiation affects being eligible for federal dollars; J&H Consulting doing a good job setting the City up with meetings to push our legislative projects.
- 2nd annual Alaska Association of Harbormasters and Port Administrators (AAHPA) winter conference, which is Admin-focused, was held virtually.
- Shorelock Systems' beach erosion stabilization test option used to slow erosion; will be conducting a test area on the outer beach.
- Statistics on parking violations and the number of long term parking passes sold so far this year.
- Ice Plant has decided to open up earlier on March 10<sup>th</sup> given the changes to the halibut fishery.
- Haul out efforts of the North Pacific derelict vessel.
- Cruise ship activity that was cancelled for this season due to COVID; discussion on estimated revenue losses for Homer.
- City project operations that's actively hauling rocks near the base of the Spit.

- B. Homer Marine Trades Association Report

Commissioner Zeiset provided a verbal report on the HMTA:

- Hired a company to update their website and social media presence.
- Collaborating with the Homer Chamber of Commerce on future events that mutually benefit both organizations.
- Lots of scholarship funding is available for the Kenai Peninsula College (KPC) Marine Technology courses; asked commissioners to encourage anyone they know who's interested in taking marine trade classes to apply for those funds.

In response to questions from Commissioner Siekaniec and Ulmer, Mr. Zeiset explained the age eligibility requirements and how well the classes are doing. He shared some of the positive feedback they've received from local students and the impact they are making to the community. Chair Zimmerman inquired on the joint funding status between the HMTA and City. Mr. Zeiset noted that in the past there have been shared funds to help promote the port and harbor. Port Director Hawkins said he would follow up with City staff on the status of that budget item.

### **PUBLIC HEARING**

**PENDING BUSINESS**

- A. Port & Harbor Budget – 2022 Budget Planning
  - i. Deferred Port Maintenance Spreadsheet
  - ii. 2021-2026 Capital Improvement Plan

Chair Zimmerman introduced the item by reading the title and opened the floor for discussion.

Commissioner Zeiset felt it's a daunting task but asked if we need to prioritize anything on the deferred maintenance list. Port Director Hawkins said the best place to start would be with System 4 Mooring system, which is included in the City's Capital Improvement Plan (CIP). These were the docks that were replaced in 1986 when System 1 docks were rebuilt (which is now in need of replacement too), and reused to build the current System 4.

Commissioner Siekaniec asked if there was a way to find out what's needing replacement, versus the entire system. Mr. Hawkins responded that you pay so much to mobilize a contractor to a job site, so it would be more cost-effective to do a sweeping project rather than doing it in pieces.

Mr. Hawkins spoke to the purpose of the deferred maintenance spreadsheet and how the numbers in that report are estimated. There was discussion on the lifespan of the floats, how the concrete floats seem to break down sooner than the wood floats, and if it was worth having a professional estimator come in to see if the docks have more life in them than estimated. Mr. Hawkins pointed out that in the past they would put the money they don't spend at the end of the year into the reserves, but we don't budget money for the reserves. He would like to have the discussion of actually planning to put a set amount into the reserves each year.

Discussion ensued on the Harbor Enterprise Reserves, how they work, and past goals of having a target amount to put into it. Mr. Hawkins explained the current status of the tiered, 50/50 matching bond grant that the City and State pays into. The State has not been funding some of the lower tiers, and there are issues with the municipal harbor grant program. If the City wants to see some of these float infrastructure replacement projects happen, it's likely we'll have to fund much of the costs ourselves.

Commission Matthews recapped some of the concerns with pulling out loans that may not be viable and asked what options are there in the City budget to bring these projects to fruition. Mr. Hawkins spoke to areas where the Harbor Enterprise could cut costs in the budget and redirect them to the reserves, including removing excess Administrative Fees, taking Account Payables from the Finance Department, and their department's ongoing tracking of water/electricity usage to help lower utility costs. Commissioner Stockburger commented on his experiences and concerns with not receiving the money he feels the harbor is owed by the City and Borough.

There was discussion on the \$1 million amount Mr. Hawkins suggested they should be budgeting for reserves. The Enterprise has \$107 million in infrastructure with an estimated \$12 million of that infrastructure in need of replacement now. It was noted by Commissioner Ulmer that much of these facility issues were inherited when the City took ownership of the harbor from the State, and that it

seems the City and City Council are finally hearing the Port and Harbor Department and Commission asking for a reduction in admin costs they pay to the City. Mr. Hawkins quoted a 2010 report from the Seward Harbormaster that explains how Public Harbors generally fall into one of three pricing policies: Subsidized, Cost Recovery, and Revenue Producing. Alaskan harbors were created using the subsidized method as they were constructed through federal/state dollars; some harbors continue to be heavily subsidized whether they know it or not.

Discussion ensued on the value of the port and harbor, the cost and maintenance realities of running the facility, what pricing policy Homer uses, involving local elected officials to help seek government funding to ensure our harbors do not fail, how the CIP ranking works and the current harbor projects that are in it, and seeking other revenue sources such as through parking or restructured commercial launch fees

MATTHEWS/STOCKBURGER MOVED TO EXPLORE THE IMPROVEMENTS TO THE HARBOR IN TERMS OF AGING OUT EQUIPMENT AND STRUCTURES.

Commissioner Matthews proposed they develop a plan for addressing the deferred maintenance because that's going to be necessary for seeking any federal or state government funding. When looking through the CIP she sees those Priority Level 1 projects as most important, and if a project is listed as a Level 3 but needs funding now then she would like a bit more direction from staff on which projects are the most important. Since Mr. Hawkins is the most familiar with the projects she suggests he spearhead the effort.

There was discussion on motion verbiage, differentiation between the projects outlined in the CIP and the deferred maintenance spreadsheet, and having staff prioritize those projects so the commission knows which ones need to be included in the budget.

STOCKBURGER/SIEKANIEC MOVED TO AMEND THE MOTION TO ASK STAFF TO PRIORITIZE THE LOWER REGULAR MAINTENANCE IN ORDER TO HELP THE COMMISSION KNOW WHERE TO SPEND MONEY.

There was no discussion.

VOTE (amendment): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Commissioner Matthews asked Mr. Hawkins if an additional motion is needed to answer staff's question "What future policies would you like to see on how deferred maintenance and infrastructure replacement for the port and harbor facilities are managed?" or if the motion on the table meets staff's request. Mr. Hawkins responded that the motion helps staff build a prioritized list of deferred maintenance items.

VOTE (main motion): NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Mr. Hawkins spoke to the upcoming budget cycle and if the commission would like to budget a set number for the reserves. Discussion ensued on what that number should be and what would happen if the enterprise is not able to make that amount. There was clarification on what the ultimate goal is for the harbor reserves; Mr. Hawkins acknowledged that we are not a subsidized harbor, we are on our own financially and need to plan for that accordingly. He suggested the City put \$1 million into the reserves each year and start building it up to make these large repairs/improvements.

Commissioner Stockburger commented that he would rather look into additional income streams that would eventually go into the reserves at the end of the year, and not agree on a hard and fast budget amount. Commissioner Siekaniec agreed with the idea of eventually having a set goal amount, but until he knows more about the budget he'd prefer Mr. Stockburger's suggestion. Mr. Stockburger noted that there are many worthy projects on the CIP. He would like to see the commission brainstorm new income ideas.

Discussion ensued between staff and commissioners on different revenue sources, such as commercial/non-commercial moorage and launch fees, and sales tax. Deputy City Clerk Tussey suggested that commissioners compile their ideas and send them to Port Director Hawkins by Monday, March 8<sup>th</sup>. Staff will work on compiling their responses and the PHC can further discuss revenue generating at their March 24<sup>th</sup> regular meeting.

## **NEW BUSINESS**

### **A. Election of Officers**

Chair Zimmerman introduced the item by reading the title and determined the commission will vote for officers by Show of Hands. He opened the floor for Vice Chair nominations.

ZEISET/STOCKBURGER NOMINATED CATHY ULMER FOR VICE CHAIR.

There were no other nominations.

VOTE: YES: SIEKANIEC, STOCKBURGER, ZIMMERMAN, ULMER, MATTHEWS, ZEISET

Motion carried.

Chair Zimmerman asked for nominations for Chair.

STOCKBURGER/ZEISET NOMINATED STEVE ZIMMERMAN FOR CHAIR.

There were no other nominations for Chair.

VOTE: YES: SIEKANIEC, STOCKBURGER, ZIMMERMAN, ULMER, MATTHEWS, ZEISET

Motion carried.

### **INFORMATIONAL MATERIALS**

- A. Appointment Letter & Certificate for Crisi Matthews
- B. Appointment Letter & Certificate for Casey Siekaniec
- C. Port & Harbor Monthly Statistical Report for January 2021
- D. Water/Sewer Bills Report for January 2021
- E. Crane & Ice Report
- F. Dock Activity Reports
- G. PHC 2021 Meeting Calendar

Commissioner Stockburger commented on marine repair facility statistics and requested if the stats could show a running total or a yearly update to better reflect to-date use.

### **COMMENTS OF THE AUDIENCE**

### **COMMENTS OF THE CITY STAFF**

Port Director Hawkins thanked everyone for their time. He commented on the budget rabbit hole and appreciated their comments, he feels it's important, and will keep them informed as staff progresses through the City budget. Commissioner Siekaniec clarified with Mr. Hawkins that budget approval is done by City Council.

Deputy City Clerk Tussey welcomed Commissioners Matthews and Siekaniec and thanked the commission for a good meeting.

### **COMMENTS OF THE CITY COUNCILMEMBER**

### **COMMENTS OF THE CHAIR**

Chair Zimmerman thanked the commission for reelecting him as Chair and welcomed the new commissioners.

### **COMMENTS OF THE COMMISSION**

Commissioner Siekaniec commented that it was nice to be here, pardon him for his newness until he gets more familiar with things, and looks forward to the next meeting.

Commissioner Matthews thanked the commission and looks forward to working with everyone.

Commissioner Ulmer welcomed the new commissioners, thanked them for serving, and thanked the commission for voting for her as Vice Chair.

Commissioner Stockburger thanked Commissioners Siekaniec and Matthews for stepping up and for their insightful comments/suggestions at this meeting, Port Director Hawkins for all his work, and Deputy City Clerk Tussey for keeping them on the straight and narrow.

Commissioner Zeiset echoed the thanks to Commissioners Siekaniec and Matthews and thanked Chair Zimmerman and Commissioner Ulmer for continuing on in their positions.

**ADJOURNMENT**

There being no further business to come before the Commission the meeting adjourned at 7:35 p.m. The next regular meeting is scheduled for Wednesday, March 24, 2021 at 5:00 p.m. and a Worksession on March 24, 2021 at 4:30 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska via Zoom Webinar.

  
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RACHEL TUSSEY, CMC, DEPUTY CITY CLERK I

Approved: March 24, 2021