

Session 21-04, a Regular Meeting of the Port and Harbor Advisory Commission was called to order by Chair Steve Zimmerman at 5:00 p.m. on April 28, 2021 in the Cowles Council Chambers, City Hall located at 491 E Pioneer Avenue, Homer, Alaska via Zoom Webinar.

PRESENT: COMMISSIONERS ZIMMERMAN, SIEKANIEC, ERICKSON, ZEISET, MATTHEWS, AND ULMER

ABSENT: COMMISSIONER STOCKBURGER AND STUDENT REPRESENTATIVE ENGBRETSSEN (both excused)

STAFF: PORT DIRECTOR/HARBORMASTER HAWKINS
DEPUTY CITY CLERK TUSSEY

AGENDA APPROVAL

Chair Zimmerman asked for a motion to approve the agenda.

ULMER/ZEISET MOVED TO APPROVE THE AGENDA.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

PUBLIC COMMENTS UPON MATTERS ALREADY ON THE AGENDA

RECONSIDERATION

APPROVAL OF MINUTES

A. March 24, 2021 Regular Meeting Minutes

Chair Zimmerman asked for a motion to approve the minutes.

ULMER/SIEKANIEC MOVED TO APPROVE THE MINUTES AS WRITTEN.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

VISITORS/PRESENTATIONS

STAFF & COUNCIL REPORT/COMMITTEE REPORTS

A. Port & Harbor Staff Report for April 2021

Port Director Hawkins spoke to written staff report, noting the following:

- Meeting with Arctic Domain Awareness Center UAA and Maritime Communication Needs.
- Response to an emergency call of an overturned kayaker in Mud Bay; harbor tug was used to help retrieve one kayaker who was still upright but having trouble fighting the wind.
- Notable harbor events including a scrap steel load-out and the derelict vessel hauled out to be scrapped.
- Any movement on addressing illegal dumping in the Port and Harbor facilities.

B. Homer Marine Trades Association Report

Commissioner Zeiset provided a verbal report. HMTA was able to be a part of Maritime Career Presentation opportunity. There were a series of career spotlights happening online statewide sponsored by Alaska Career Information System (AKCIS). The association is also running radio spots all summer on the Anchorage sports channel supporting Homer marine trades, and there are additional spots open through HMTA if any marine business partners want to get help promoting their business. They are also sponsoring the Great Alaska Fishery Report.

PUBLIC HEARING

PENDING BUSINESS

- A. 2022 Budget Planning – Identifying Other Revenue Sources
- i. Port & Harbor Facilities Vehicle Parking Map & Info Handout

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

Commissioners Matthews voiced questions on budget, parking, and what staff is asking the commission to take action on at this meeting. Deputy City Clerk Tussey provided a background of what was discussed at the last meetings as part of their annual feedback to staff during City budget planning, and referred to staff's recommendations in the memo.

The commission and Port Director Hawkins held discussion on the following topics:

- Questions concerning admin fees, update on the 2022 budget planning, and the good news that the conversation is open with the Mayor and City Council on lowering the admin fees shared between the Enterprise Fund and the City General Fund.
- Parking Fees/Study: staff is not proposing any parking fee changes at this time and are working on completing the parking study that was originally approved in 2020. They are working with HDR who has experience with these types of studies.
- Percentage use of trailers in the large parking area; when Commissioner Siekaniec thinks of ways to make more money he considers ways to maximize how we're using our land.
- Importance of providing moorage in the harbor for large vessels given the amount of business they bring to Homer and the harbor.

- Concerns with hitting too many fees to a particular user group; increasing fees to parking at least touches on everyone out there.
- Would be nice to have a comprehensive study done to see the amount of funds coming in from the different user groups.
- Tax credit towards the admin fees that were charged would help; we need to make the point with the Kenai Peninsula Borough that a lot of business wouldn't take place if it wasn't for the harbor, and some of that sales tax collected should go back to the Harbor Enterprise.

There was discussion on making a motion to get City Council to address the sales tax issue.

MATTHEWS/ULMER MOVED TO HAVE A MEMO WRITTEN TO THE MAYOR, CITY COUNCIL, AND CITY MANAGER REQUESTING THE SALES TAX COLLECTED BY THE PORT BE CREDITED BACK AGAINST THE ADMIN FEES THAT THE PORT PAYS OUT.

In response to questions from Commissioners Erickson and Siekaniec, Mr. Hawkins clarified that about half of the budget is encompassed by admin fees, and the \$300,000 in sales tax paid out is how much the Port and Harbor pays for both Borough and City taxes. Mr. Siekaniec clarified then it's likely we'd just want a credit of the City portion that the harbor pays in addition to the requested 13% decrease to the admin fees.

Commissioners discussed that while they would like to see more significant decreases to the administrative fees and more City/Borough sales tax coming back to the harbor, they agreed this was a step in the right direction.

Commissioner Matthews requested that the memorandum include the following point made by Chair Zimmerman: this is a publicly-funded harbor and enterprise, not a private marina. Hardly any public harbors pay 100% for themselves, just like any public service as taxpayer money that goes into it, we should not expect the harbor to pay for itself with fees 100% and keep it at a feasible cost level for people to use it. Private marinas cost a lot more money and that's what make them more feasible for the owners to run, but that's an issue. We need to get other tax dollars and subsidies from other ways, while still trying to get as much revenue as we can to keep fees reasonable and keep the place going.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Commissioners requested that this subject remain on their agenda for their next few meetings.

Chair Zimmerman asked staff if it's too late to do more paid parking lots this year; he suggested additional paid parking kiosks be purchased and a parking sticker in the window be required to park in that designated area. Mr. Hawkins said it would be a challenge from an education standpoint, and there is a delay in shipping/manufacturing equipment due to COVID-19. He agreed to look into seeing what would be needed to get kiosks purchased. In response to commissioner questions, Mr. Hawkins provided estimated kiosk machine costs and the pay-off timeframe for each machine.

Commissioners unanimously agreed that this year could at least be a trial run on additional paid parking lots starting July for the primary summer months. They acknowledged it would be a tight timeline but would really like to get word out to the public on upcoming parking changes.

Chair Zimmerman asked staff and the commission if they felt it was a possibility or if they're pushing too hard. The commission agreed to have it on the May agenda for public comment, get kiosk pricing/order status from harbor staff, and possibly have some PSA's on KBBI until then. It was suggested that staff could just go ahead with ordering at least two kiosks and the commission can continue their discussion on exactly where they'd go. Mr. Hawkins suggested the area around Ramp 2 and the Boat Pavilion would be an easy switch-over to paid parking; staff could move forward with that. For front row signage, that will require more work and more signage. Discussion ensued on setting up blocks and other parking lot options.

Chair Zimmerman recapped their discussion, noting that Mr. Hawkins will look into purchasing kiosks, the PHC will have the subject on the May meeting agenda, and they would hold off on any mass notices (flyers, warnings, etc.) for the roll-out.

NEW BUSINESS

- A. Sport Shed-Tackle Shack Co. LLC Lease Assignment
 - i. Lease Application Checklist & City Manager's Recommended Action
 - ii. Tackle Shack Co. LLC Lease Application/Assignment Form
 - iii. DRAFT Lease Tackle Shack Co. LLC

Chair Zimmerman introduced the item by reading the title. He inquired if the upstairs lodging is approved and was included in the Fire Marshal plans. Port Director Hawkins said he would check with Planning. Chair Zimmerman asked for a motion of recommendation.

ULMER/ZEISET MOVE TO RECOMMEND TO CITY COUNCIL APPROVAL OF THE LEASE TRANSFER FROM THE CURRENT TENANT, HARBOR LEASING LLC/TABOR ASHMENT TO TACKLE SHACK CO. LLC, WITH THE CONSIDERATION THAT THE APPROVAL IS CONTINGENT ON THE ACQUISITION OF INSURANCE FOR THE NEW BUSINESS BEFORE LEASE SIGNING.

Commissioner Matthews commented that she did not see in the lease materials how the City would provide assistance to maintain the grounds, such as providing dredged materials to build up the land due to storm/erosion damage. She asked if the City would be including a plan for ground maintenance or including some "hold harmless" verbiage into the lease agreement. Mr. Hawkins responded that the City is not contractually obligated to provide soil to repair the lot, and that he would be consulting the City Attorney before a lease was signed.

There was brief discussion with staff on amending the motion to include additional contingencies.

ZIMMERMAN/MATTHEWS MOVED TO AMEND THAT CONSIDERATIONS FOR LEASE APPROVAL IS CONTINGENT ON THE ACQUISITION OF INSURANCE, EROSION CONTROL IS ADDRESSED, AND FIRE MARSHAL APPROVAL FOR THE APARTMENTS.

There was no discussion.

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

There was no further discussion.

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

Motion carried.

- B. Annual Review of the Port of Homer Tariff No. 1
 - i. Port of Homer Tariff No. 1 – Current

Chair Zimmerman introduced the item by reading the title and deferred to Port Director Hawkins who provided some background on Terminal Tariff changes and the four recommended changes staff was proposing, including the annual 3.2% moorage rate (commodity rate) increase.

Commissioner Matthews spoke to the need to increase moorage rates further given the high cost of construction materials to help offset the replacement costs down the road. Mr. Hawkins explained how the rates are increased annually per their 10-year increase plan set in 2015, in addition to any CPI increases for that year. Ms. Matthews noted that it's still not a viable rate and should be slightly increased, such as to 4%, to account for the large increase in building material costs and a loss in revenue due to no cruise ships. Mr. Hawkins pointed out how the Port did come in over their projected revenues, and is hesitant to increase rates based on temporary spikes.

Discussion ensued between staff and commissioners on the history of the moorage rate process and the justifications for adjusting the annual increase due to costs being higher than they were in 2015 when the 10-year plan was set.

Commissioner Siekaniec commented that when looking at the budget, it looks like we're really close to being viable. He asked for some clarification on what the Port's goal is to determine the scope of what they have to do. Mr. Hawkins said he can only provide very rough estimates of replacement costs based on in-house efforts; we've never done a comprehensive study on the lifespan of our current infrastructure. If the Port built on that or contracted with a study firm, they could come up with some real costs on what is needed now, in two years, five years, and plan it out. He clarified that the budget line item Port and Harbor Net Position has to do with our depreciation costs.

In response to Chair Zimmerman, Deputy City Clerk Tussey explained the proposed changes in staff's memo and the request for PHC's recommendation to Council.

SIEKANIEC/ERICKSON MOVE TO APPROVE AND RECOMMEND TO CITY COUNCIL THE PROPOSED STAFF CHANGES TO THE PORT OF HOMER TARIFF NO. 1 FOR THE CARD REPLACEMENT FEE, DECK SHELTER STORAGE – PREARRANGED, AND OFF-SITE FISH PROCESSORS FEE FOR USE OF CITY'S OUTFALL LINE.

Commissioner Matthews requested the definition of “Commodity Rate”. Mr. Hawkins explained that is the price per square foot for moorage in the harbor and the formula uses to calculate moorage.

There was further discussion between staff and commissioners on increasing the moorage rate, the purpose of the Terminal Tariff, and clarifying the motion verbiage. The commission agreed to recommend approval of the other three proposed changes and discuss the commodity rate further.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

There was discussion on what steps would need to take place to amend the Tariff and increase the moorage fees. Ms. Tussey noted that the commission does have their May meeting to continue the discussion on proposed moorage amendments before the June 14th City Council public hearing. The commission directed questions to Mr. Hawkins on moorage calculations, how they can compare the increases, and possibly increasing the annual amount to a 4% increase. The commission agreed to have it on their May meeting agenda.

- C. Annual Review of Strategic Plan & PHC Policies/Bylaws
 - i. 2019-2020 PHC Strategic Plan
 - ii. PHC Bylaws - Adopted March 11, 2019

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

Deputy City Clerk Tussey spoke to the current strategic plan and facilitated discussion with the commission on each goal section. The commission discussed the following amendments:

- Leaving Overall Goals as-is
- Short Term Goals (replacing #1-3 with new goals):
 - Convince the City to lower administrative costs
 - Develop more paid parking on the Spit
 - Continue identifying other sources of revenue
 - Establish a goal for reserves and continue to understand the budget, include setting fees, and dedication of sales tax (was #1 in mid-term)
- Mid Term Goals:
 - Add: Get a 5-year plan for float replacement in the Small Boat Harbor
 - Move #1 to short term goals
 - Remove #2
 - Edit #3 to say: Seek funding to construct the Large Vessel Haul-out and Repair Facility
 - Remove #4 since an overslope development plan exists
 - Leave #5 on there
 - Add: Promote and support the new Large Vessel Port Expansion Project (was #2 in long term)
- Long Term Goals:
 - Remove #1 (became new mid-term goal)
 - Move #2 to mid-term goals

- Add: Work with Federal and State agencies to develop long-term erosion control measures for the Spit

ULMER/SIEKANIEC MOVED TO ACCEPT THE NEW STRATEGIC PLAN.

There was no discussion.

VOTE: NON-OBJECTION: UNANIMOUS CONSENT.

Motion carried.

Deputy City Clerk Tussey commented that she would include their revised 2021-2022 Strategic Plan in their next meeting's informational materials.

Chair Zimmerman asked if anyone was interested in making amendments to their bylaws. Ms. Tussey noted that there were two suggested bylaw amendments from staff to address the issues of their scheduled December regular meeting and removing the sections referencing outdated calendar topics. The commission agreed to discuss bylaw amendments at their May regular meeting.

INFORMATIONAL MATERIALS

- A. Port & Harbor Monthly Statistical Report for March 2021
- B. Water/Sewer Bills Report for March 2021
- C. Crane & Ice Report
- D. Dock Activity Reports
- E. PHC 2021 Meeting Calendar

Commissioner Erickson pointed out the increase in pollution incidents in the harbor statistics. Port Director Hawkins commented that there isn't any particular reason for the increase; Harbor Officers will find them out on their patrols and mark them down, just bad luck that there were so many.

Deputy City Clerk Tussey commented that commissioners' name have been added to their meeting calendar under the City Council meeting they are assigned to give a PHC report to, with Commissioner Erickson reporting the commission's April business at the May 10th Council meeting. She reminded the commissioners that they are always welcome to email a written report to the City Clerk if they're unable to show up to give a verbal report, although in-person is ideal.

COMMENTS OF THE AUDIENCE

COMMENTS OF THE CITY STAFF

Port Director Hawkins commented that personal watercraft is coming back to the PHC. A resolution was referred back to the commission from City Council regarding the speed limit, no wake speed, and personal watercraft use. It will be on their May meeting agenda. Commissioner Matthews requested a map of the harbor be included with their packet materials.

Deputy City Clerk Tussey thanked the commission for a great meeting. She commented that Student Representative Engebretsen was not able to make the meeting due to scheduling conflicts and that this would have been her last meeting since her term will expire May 18th when she graduates. Ms. Tussey asked the commission to keep a look out for any Homer-area high school students that would be interested in applying for the vacant student representative seat.

COMMENTS OF THE CITY COUNCILMEMBER

COMMENTS OF THE CHAIR

Chair Zimmerman thanked the commission for a very engaging meeting, noting there were some really good ideas, and that they will continue working on all of it. He liked to see things moving along.

COMMENTS OF THE COMMISSION

Commissioner Siekaniec thanked everyone for a good meeting.

Commissioner Zeiset thanked Chair Zimmerman for keeping them on track.

Commissioner Matthews commented that last week's Winter King Salmon Tournament was wildly successful. She thanked the Port and Harbor staff for their assistance in making it a sell-out year with record-level participation. She also noted that the Shorebird Festival is coming up and the Chamber of Commerce has been in discussions with Governor Dunleavy's office regarding cruise ships in Alaska.

Commissioner Ulmer thanked Harbor Staff for their hard work in keeping the order during the Winter King Salmon Tournament.

Commissioner Erickson commented that it was good to see all of them and looks forward to in-person meetings again. There was brief discussion on the status of the Cowles Council Chambers, and when they could expect to hold meetings in there again.

ADJOURNMENT

There being no further business to come before the Commission the meeting adjourned at 7:28 p.m. The next regular meeting is scheduled for Wednesday, May 26, 2021 at 6:00 p.m. at the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska via Zoom Webinar.



RACHEL TUSSEY, CMC, DEPUTY CITY CLERK I

Approved: May 26, 2021